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SAVINGS BANK SECTION

AMERICAN BANKERS ASSOCIATION

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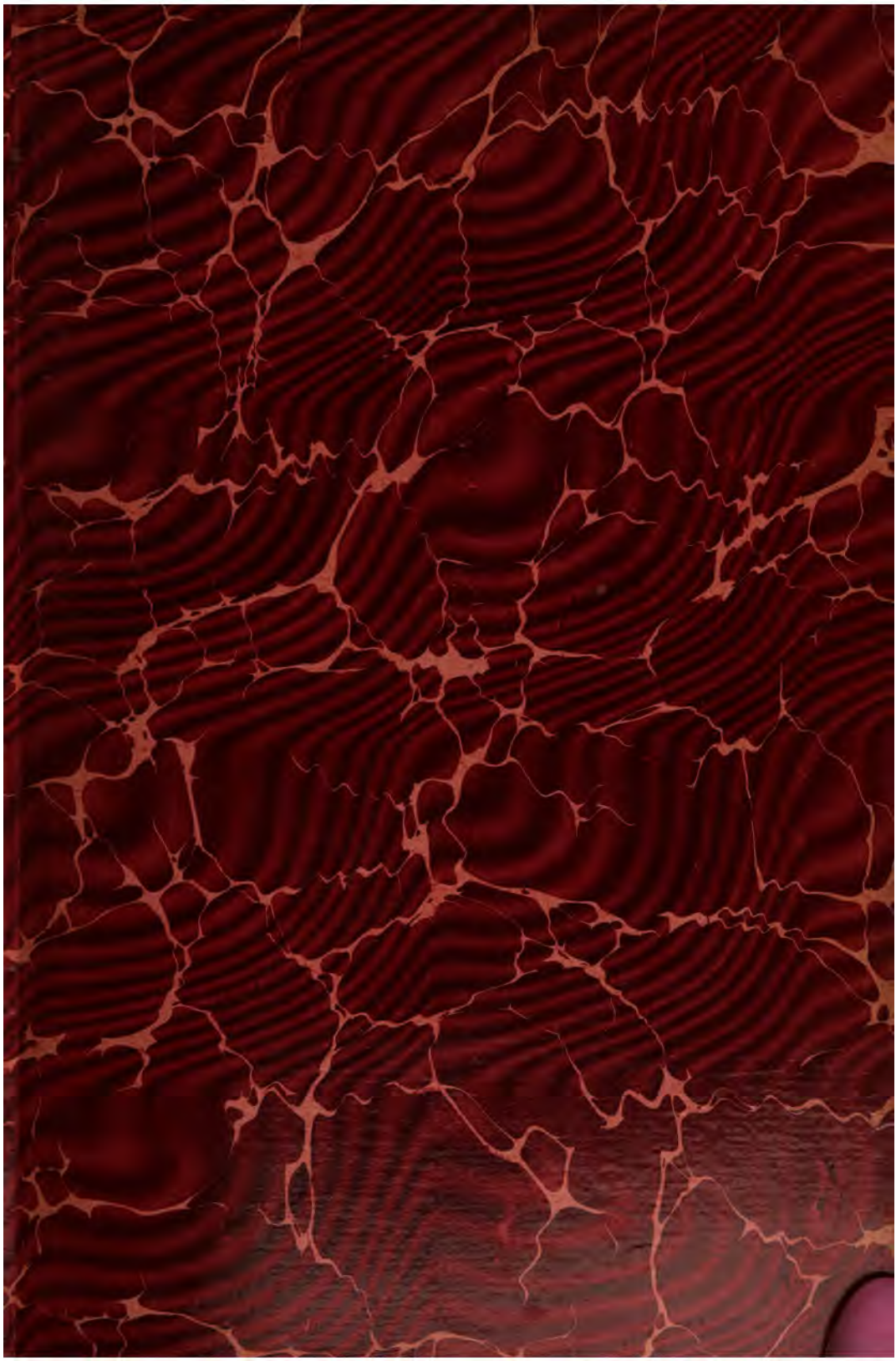

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PROCEEDINGS OF THE

SIXTH ANNUAL MEETING

SAVINGS BANK SECTION

American Bankers' Association

HELD IN ATLANTIC CITY, N. J.

SEPTEMBER 24 - - - - - 1907

EDITED BY

WILLIAM HANHART

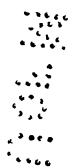
Secretary Savings Bank Section American Bankers' Association

1907.

PRESS

DAILY BANKER AND STOCKHOLDER

NEW YORK



LUCIUS TETER, President

OFFICERS OF THE

SAVINGS BANK SECTION

American Bankers' Association.

1907

PRESIDENT

[illegible] FISHER,

Vice President Chicago Savings Bank and Trust Company, Chicago, Ill.

FIRST VICE-PRESIDENT

[illegible]

President Peninsular Savings Bank, Detroit, Mich.

CHAIRMAN EXECUTIVE COMMITTEE

WM. R. [illegible],

Secretary Cleveland Savings and Loan Company, Cleveland, Ohio.

SECRETARY

[illegible]

No. 3 [illegible]

EXECUTIVE COMMITTEE

Term expires 1908.

[illegible] COLLAMORE EVES, President Philadelphia Saving Fund Society, Philadelphia, Pa.

[illegible] B. HACK, President Commercial Savings Bank, Omaha, Neb.

[illegible] VAN GIESEN, President Merrill State Bank, Merrill, Wis.

Term expires 1909.

WILLIAM [illegible], Cashier Williamsburgh Savings Bank, Brooklyn, N. Y.

H. [illegible], Vice-President Peoples Savings Bank and Trust Company, [illegible], Pa.

[illegible] M. [illegible], Secretary Cleveland Savings and Loan Co., Cleveland, Ohio.

Term expires 1910.

WARD [illegible] PEARSON, Vice President [illegible] Savings Bank of Baltimore, Baltimore, Md.

[illegible] HAAS, Cashier Scott County Savings Bank, Davenport, Iowa.

[illegible] [illegible], Treasurer Waterbury County Institution for Savings, Waterbury, Conn.

Term expires 1911.

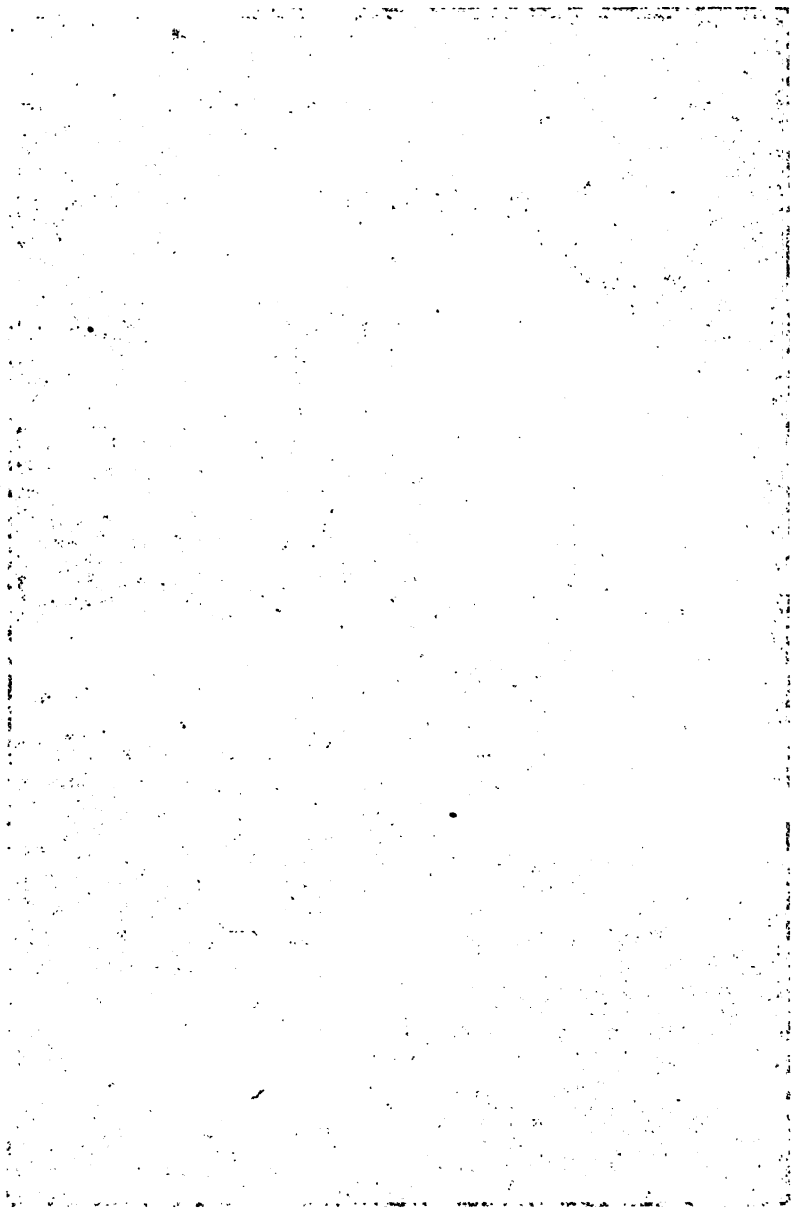
[illegible] [illegible] FLERICK, Society for Savings, Cleveland, Ohio.

[illegible] Naugatuck Savings Bank, Naugatuck, Conn.

[illegible] SPRAGUE, Union Dime Savings Bank, New York, N. Y.

[illegible] DOTY, People's Savings Bank, [illegible], Pa.

[illegible] LEITNER, Rockville [illegible] Savings and Trust Company, Rockville Centre, N. Y.



ITER President

OFFICERS OF THE

SAVINGS BANK SECTION

American Bankers' Association.

1907

PRESIDENT:

LUCIUS TETER,

Vice-President Chicago Savings Bank and Trust Company, Chicago, Ill.

FIRST VICE-PRESIDENT:

J. H. JOHNSON,

President Peninsular Savings Bank, Detroit, Mich.

CHAIRMAN EXECUTIVE COMMITTEE:

WM. R. CREER,

Secretary Cleveland Savings and Loan Company, Cleveland, Ohio.

SECRETARY:

WILLIAM HANHART,

No. 31 Nassau Street, New York.

EXECUTIVE COMMITTEE:

Term expiring 1908.

G. COLESBURY PURVES, President Philadelphia Saving Fund Society, Philadelphia, Pa.

JOHN F. FLACK, President City Savings Bank, Omaha, Neb.

H. A. VON OVEN, President Beloit State Bank, Beloit, Wis.

Term expiring 1909.

WM. F. BURNS, Cashier Williamsburgh Savings Bank, Brooklyn, N. Y.

H. L. CHAPMAN, Vice-President People's Savings Bank and Trust Company, Moline, Ill.

WM. R. CREER, Secretary Cleveland Savings and Loan Co., Cleveland, Ohio.

Term expiring 1910.

EDWARD L. ROBINSON, Vice-President Eutaw Savings Bank of Baltimore, Baltimore, Md.

J. H. HASS, Cashier Scott County Savings Bank, Davenport, Iowa.

ALFRED L. AIKEN, Treasurer Worcester County Institution for Savings, Worcester, Mass.

Ex-officio.

HON. MYRON T. HERRICK, Society for Savings, Cleveland, Ohio.

A. C. TUTTLE, Naugatuck Savings Bank, Naugatuck, Conn.

CHARLES E. SPRAGUE, Union Dime Savings Institution, New York.

EDWARD E. DUFF, People's Savings Bank, Pittsburgh, Pa.

G. BYRON LATIMER, Rockville Centre Savings and Loan Association, Rockville Centre, N. Y.

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VICE-PRESIDENTS, 1907:

ALABAMA: Eugene F. Enslen, Cashier Jefferson County Savings Bank, Birmingham.

CALIFORNIA: J. D. Radford, Vice-President German-American Savings Bank, Los Angeles.

CONNECTICUT: Lyman S. Catlin, Treasurer Mechanics and Farmers' Savings Bank, Bridgeport.

GEORGIA: H. T. Powell, President Macon Savings Bank, Macon.

ILLINOIS: M. H. Greenebaum, Cashier Illinois State Savings Bank, Pontiac.

INDIANA: L. G. Tong, Cashier St. Joseph County Savings Bank, South Bend.

IOWA: J. M. Dinwiddie, Cashier Cedar Rapids Savings Bank, Cedar Rapids.

KENTUCKY: J. H. Parrish, President Owensboro Savings Bank and Trust Company, Owensboro.

LOUISIANA: G. A. Blaffer, Vice-President Commercial Germania Trust and Savings Bank, New Orleans.

MAINE: E. A. Noyes, Treasurer Portland Savings Bank, Portland.

MARYLAND: Robert M. Rother, President Hopkins Place Savings Bank, Baltimore.

MASSACHUSETTS: Frederick C. Nichols, Treasurer Fitchburg Savings Bank, Fitchburg.

MICHIGAN: Charles F. Collins, President Wayne County Savings Bank, Detroit.

MINNESOTA: F. Otto Willius, Assistant Treasurer State Savings Bank, St. Paul.

MISSOURI: Thornton Cooke, Treasurer Fidelity Trust Company, Kansas City.

MONTANA: E. P. Chapin, Vice-President State Savings Bank, Butte.

NEW HAMPSHIRE: J. E. Fernald, Vice-President Loan and Trust Savings Bank, Concord.

NEW JERSEY: Adrian Lyon, President Perth Amboy Savings Institution, Perth Amboy.

NEW YORK: Everett Smith, President Schenectady Savings Bank, Schenectady.

NORTH CAROLINA: W. L. Scales, Cashier Richmond County Savings Bank, Rockingham.

OHIO: E. Wiebenson, Treasurer United Banking and Savings Company, Cleveland.

OREGON: Lansing Stout, Cashier Hibernia Savings Bank, Portland.

PENNSYLVANIA: C. La Rue Munson, President Savings Institution of the City of Williamsport, Williamsport.

SOUTH CAROLINA: W. D. Morgan, President Bank of Georgetown, Georgetown.

SOUTH DAKOTA: H. R. Dennis, President Sioux Falls Savings Bank, Sioux Falls.

TENNESSEE: J. H. Smith, Treasurer People's Savings Bank and Trust Company, Memphis.

VERMONT: C. P. Smith, President Burlington Savings Bank, Burlington.

VIRGINIA: R. M. Kent, Jr., Cashier Capitol Savings Bank, Richmond.

WASHINGTON: E. Shorrock, President Northwest Trust and Safe Deposit Company, Seattle.

WEST VIRGINIA: H. C. Harvey, Cashier American Bank and Trust Company, Huntington.

WISCONSIN: C. R. Carpenter, Cashier Commercial and Savings Bank, Racine.

CONSTITUTION AND BY-LAWS SAVINGS BANK SECTION.

(As Amended October 16, 1906.)

Secton 1. The administration of the affairs of this Section shall be vested in a President and First Vice-President of the Section, and an Executive Committee of nine members, who shall serve until their successors are chosen or appointed.

Sec. 2. The President and First Vice-President shall also be members ex-officio of the Executive Committee.

Sec. 3. No President nor First Vice-President nor retiring member of the Executive Committee shall be eligible for re-election for a period of one year after the expiration of his term of office.

Sec. 4. The Executive Committee shall select its own Chairman from among its members, and shall also select a Secretary of the Section, who may or may not be a member of the Section.

Sec. 5. The Executive Committee shall, as soon as may be after their organization, divide themselves by ballot into three classes of equal number, designated as the first, second and third class, of which the first class shall remain in office one year, the second class two years, and the third class three years, and at each annual election members of the Executive Committee shall be elected for a term of three years to fill the vacancies of the retiring class.

Sec. 6. The Executive Committee shall have power to fill vacancies until the next annual meeting, and may adopt all necessary rules for the business of this Section.

Sec. 7. The ex-Chairmen and ex-Presidents of the Section, if still members of the Association, shall be members ex-officio of the Executive Committee.

Sec. 8. Each State having not less than ten Savings Institutions, members of the American Bankers' Association, shall be entitled to a Vice-President of the Section; such Vice-Presidents to act generally in an advisory capacity to the Executive Committee, but not to be entitled to vote.

MEMBERSHIP IN THE AMERICAN BANKERS' ASSOCIATION.

Banks desiring to join the Association can do so by sending check for membership dues to the order of the Secretary, addressed to the Secretary of the Association, Hanover Bank Building, New York City. On receipt of the dues a certificate of membership in the Association will be sent. There are no extra dues for membership in the Savings Bank Section.

The dues are:

Private Bankers, Brokers and Banking Firms	$10.00
Banks and Trust Companies with less than $100,000 capital and surplus	10.00
Banks and Trust Companies with $100,000 capital and surplus and less than $250,000	20.00
Banks and Trust Companies with $250,000 capital and surplus, and less than $500,000	25.00
Banks and Trust Companies with $500,000 capital and surplus, and less than $750,000	30.00
Banks and Trust Companies with $750,000 capital and surplus, and less than $1,000,000	40.00
Banks and Trust Companies with $1,000,000 capital and surplus and less than $5,000,000	50.00
Banks and Trust Companies with $5,000,000 capital and surplus, and over	75.00

Dues for Savings Banks without capital are based on surplus or reserve fund.

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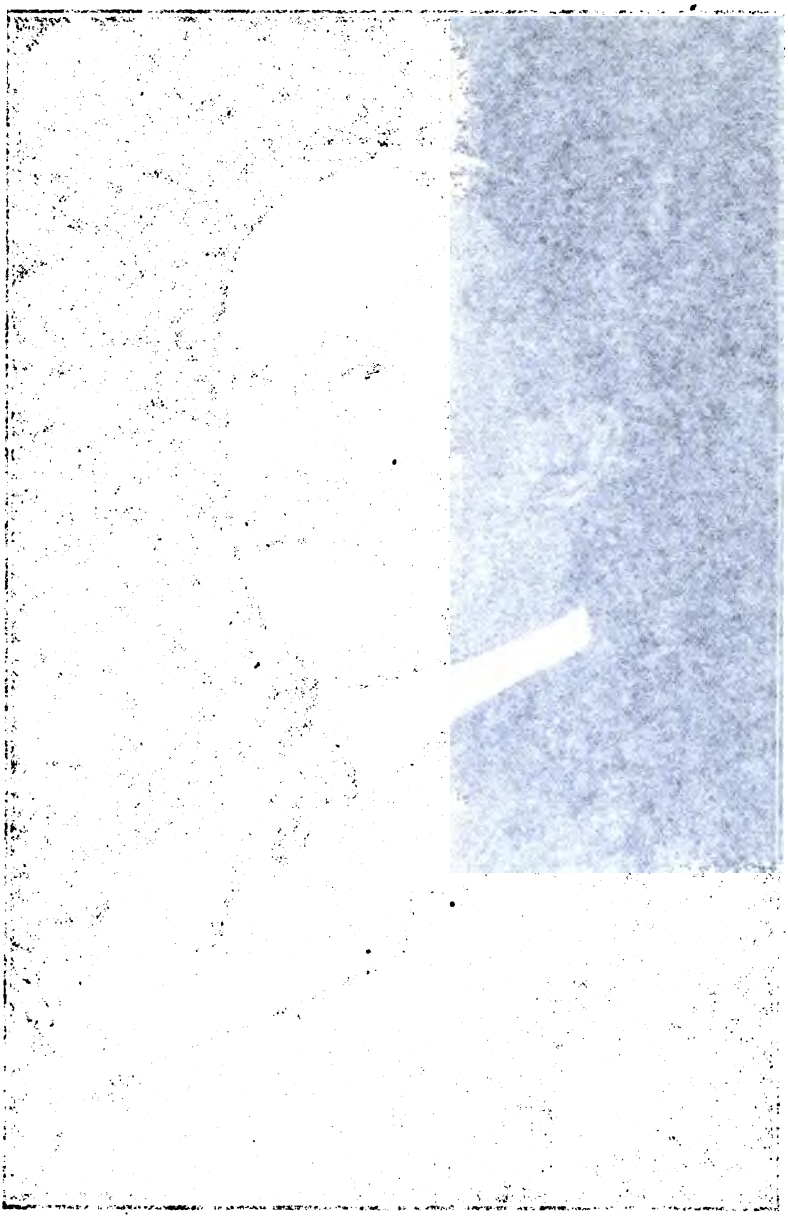

J. H. JOHNSON, First Vice-President.

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J. H. JOHNSON, First Vice-President.

SIXTH ANNUAL MEETING
SAVINGS BANK SECTION
American Banker's Association

MARLBOROUGH-BLENHEIM HOTEL,

ATLANTIC CITY, N. J., Sept. 24th, 1907.

MORNING SESSION.

The Convention of the Savings Bank Section of the American Bankers' Association was held at the Marlborough-Blenheim Hotel, Atlantic City, N. J., September 24th, 1907, and was called to order by President Latimer as follows:

Ladies and gentlemen, you will please come to order and our proceedings will be opened by prayer. The Rev. Melville E. Snyder, of St. Paul's M. E. Church, will lead us.

The Rev. Melville E. Snyder, of St. Paul's M. E. Church, offered the following prayer:

"Let us pray. Our Heavenly Father, realizing that Thou hast invited us to come unto Thee and make all our needs and wishes known, asking us in all our ways to acknowledge Thee, we come, O Lord, asking Thy blessing upon this Convention; grant unto these men here assembled who represent so many of the moneyed institutions of the land, Thy presence, so that they may with wisdom and discretion discuss and consider the problems confronting them, and grant unto them Thy Holy Spirit, so that they may come to such conclusions as at last they will be able to render an account of their stewardship that will be so well pleasing as to merit Thy "Well done, good and faithful servants.' We pray that their fellowship among each other may be blessed; we ask that their coming to this resort may be a benefit to their health, and may the Convention altogether result in their good. All this we ask in the name of our Master. Amen."

THE PRESIDENT: We will listen now to the welcoming address of Judge Adrian Lyon, president of the Perth Amboy Savings Institution, of Perth Amboy, N. J.

ADDRESS OF WELCOME.

BY JUDGE ADRIAN LYON.

Mr. President, and Gentlemen of the Convention, Ladies and Gentlemen:

MY task is a pleasant one. It would be agreeable under any circumstances to welcome to the State of New Jersey a body of bankers, they who are so closely connected with our stable government and so intimately allied with the prosperity of our people; but to single out, as I am required to do, the Savings Bank Section and on behalf of the Savings Banks of the State of New Jersey to welcome its members, is a doubly pleasant task; for with the name of savings banks, as it is commonly understood among the great mass of our people, are associated the thrift and industry of the middle working classes. With that name are associated a trust and confidence reposed in officers and managers by the inexperienced and unlearned, and even the illiterate, which is of the very essence of that spirit which is the foundation of our society.

Recognizing this Association in name and sentiment, it has become of public interest among the patrons of these institutions, and the law, from conserving the rights of the people, has drawn around its objects the public confidence and the strong arm of careful and regular control. The investment of its funds is made with conservative care; its officers and managers are men of approved ability and integrity. Bankers generally are the guardians and conservators of the credit of the country; to them the nation must ever look to direct the sound business policies of the people. Savings banks particularly are the chosen guardians of the wealth of that class of people, the foundation of whose prosperity is not so much in their business ability as in their frugality; not so much in their ingenuity as in their industry.

That our nation, during recent days, has experienced unprecedented prosperity is admitted on every hand. Millions of dollars have been made by the direction of capital along new lines; in the development of our nation's reserves; railroads have pushed out their branches, and the earth has given up of its wealth; the broad prairies have yielded their increase; capital has combined, corporations have sprung into being; brave men in the world of trade, Napoleons of finance and executives have rolled up the riches of the nation, and manipulations of wealth, legitimate and perhaps otherwise, have swelled the assets of our banks and trust companies to an enormous degree.

But we think that the savings banks, swelled to millions by deposits from the savings of the classes I have mentioned, are the largest indication of that prosperity and industry. I recall the words of Addison, who has stated, "Man-

kind are more adapted to industry than to ingenuity. The Gods set up their favor at a price and Industry is the purchaser."

Mr. President and gentlemen of the Convention, we welcome you to our historic State of New Jersey; where Washington fought; where Franklin often lingered, and upon whose soil were waged those battles which laid the foundation of our common country.

We welcome you to our industrial and commercial State, lying as it does within the great physical chain which unites the great cities of New York and Philadelphia, and within whose borders there live a large number of that class whose earnings go to swell the assets of our savings institutions.

We welcome you, gentlemen, to the eastern shores of our common land; from this vantage point, above the turbulent waves of the ever restless sea, our eyes can behold the first signs of the new day as it breaks into splendor and view upon a happy and united land; and it is hoped that from the vantage ground of this Convention we may behold the brightness which comes from a sound financial policy, which shall bring in its train happy and prosperous days. (Applause.)

THE PRESIDENT: I thank you for your very kind words of welcome to the Savings Bank Section, and I am sure all the members here appreciate them.

Gentlemen, before going any further, I wish to say that we have quite a number of papers to be read and a large volume of business to be gone through with, and it is to be hoped that the discussions on the different subjects will be limited to twenty minutes, with the five-minute rule to follow, and it is also hoped that you will not try to discuss any of these questions until after every paper has been read; probably the discussion will then go over until the afternoon, and each paper will then be taken up *seriatim*, to be discussed in its order. I hope this meets with your approval, gentlemen, and if so we will go on with the proceedings.

ADDRESS OF PRESIDENT LATIMER.

To the Members of the Savings Bank Section, American Bankers' Association:

Since the last Convention, your Executive Committee have held three meetings—October 16 and 17, 1906, and May 6, 1907.

We have received an appropriation of $4,500 for expenses of the Section, which have been very heavy on account of the large number of circulars and letters sent to members of the Section, and non-member banks throughout the country. To very many of these we have had replies, and I think the increase

in our membership can be traced to a great extent through this medium. As Auditing Committee, appointed at the last Executive Committee meeting, I wish to report having audited the financial accounts of the Secretary and found them correct in every particular. The Secretary, himself, will make you a full report of our receipts and disbursements since the last Convention, and the amount to the credit of the section at this time. Our membership has increased from 1,033, in October last, to 1,224 at the present time, and I trust that it will reach the 1,500 mark before the end of this year.

Much of this increase can be directly traced to the untiring efforts of our worthy Secretary, and some of our state vice presidents.

The Committee on Joint Accounts have made a complete report of their deliberations, which we have thought wise to have printed and sent to you a few days before this Convention. The Committee on Auditing of Savings Banks have also made a very satisfactory report, which has also been printed and distributed, as above.

I hope the members will take both of these reports home and carefully study their contents, as much good can be derived from the suggestions contained in them.

I trust that you will see fit to elect or re-elect a Committee on Auditing of Savings Banks for the coming year. While their present report is a particularly good one, I think there should be a continuous, or Standing Committee, of that character, to whom could be referred all inquiries regarding the subjects embraced in their report, thus enabling our members to keep in touch with all modern methods of banking and auditing. (Applause.)

THE PRESIDENT: Gentlemen, we will now proceed with the regular order of business; the next is the report of the Chairman of the Executive Committee:

REPORT OF THE EXECUTIVE COMMITTEE.

Atlantic City, September 24th, 1907.

Gentlemen:

Your Executive Committee begs to report briefly on its work for the year just closed.

Our President has advised you of the number of our meetings. I can only add that the attendance of both was satisfactory and the interest shown very marked. Appropriations asked for were promptly granted by the Executive Council.

Report of the Section Proceedings was ordered published by our Secretary, the Association Secretary consenting. This will facilitate delivery very much, and I am sure will meet with your approval.

Appointment of Committee on Savings Bank Legislation, provided for at our last meeting, was omitted because the subject was being covered by the Standing

Law Committee of the Association and certain special committees, as you will observe from the report of the first mentioned to the general body and the several valuable reports and papers that will be presented to you in the course of our meeting. There is much yet to do and we should formulate our ideas and get in touch at once with the committee mentioned, and, if possible, bring about the enactment of such regulations in all States where necessary. After a careful study of the matter, I would recommend as a most effective agency the appointment of a permanent standing committee of three to be known as the Committee on Savings Banks Laws, a centralization of efforts and ideas being necessary for effective work. I would also recommend that a special committee of three be appointed to examine our Constitution and By-laws, and where found inconsistent with the Constitution and By-laws of the Association, bring in suitable amendments correcting same.

At the May meeting we appointed a Conference Committee and met with a like committee from the Trust Company Section, hoping to arrange our program and time so as not to conflict, but our older brothers decided not to concede or divide the day, so we thought it best to follow our usual order and meet on the day preceding the Convention. I mention this particularly as the time of meeting has been much discussed and we would like from the Section a decided expression on the matter.

Reports of Special Committees on Trust and Joint Accounts and Auditing of Savings Banks, very important subjects, were sent to all members under date of August 31. They speak for themselves and I know will have your careful consideration.

The report of our Secretary will advise you of the increase in our membership, and while it is hardly commensurate for the moment with the work done, yet we feel that with the prominence we are attaining, from now on our growth will be more rapid. We will also give you interesting data on the Book of Printed Forms and detailed reports of our finances.

All of which is respectfully submitted.

(Signed) J. H. JOHNSON,

Chairman Executive Committee, Savings Bank Section.

THE PRESIDENT: You have heard the report of the Executive Committee. What is your pleasure?

It was moved, seconded and carried that the report of the Chairman of the Executive Committee, as rendered, be accepted.

THE PRESIDENT: We will now listen to the report of the Secretary.

REPORT OF SECRETARY.

To the President and Members of the Savings Bank Section of the American Bankers' Association:

Gentlemen:—The total membership of the Savings Bank Section a year ago was 1,033 members. Since that date 64 members have left the Association, owing to mergers, withdrawals, etc., and 255 new members have joined the Section, making the total membership this day 1,224, and showing a net increase in our membership of 189 members. This net result, while showing a considerable increase, is not commensurate with the amount of work done by your officers. I may say to you that during the past fiscal year some 12,000 letters were sent to banks not members of the American Bankers' Association, not members of our Section, some 2,000 letters were sent to Savings Banks throughout the country not affiliated with the American Bankers' Association, and from three to four thousand letters were mailed to our members. The net result of all this correspondence, not to speak of personal solicitation, should show a larger increase in our membership. This Section should have at least 1,500 members, and I take the liberty of requesting each and every member of the Association to use his utmost efforts in obtaining new members. The larger our membership, the greater will be our success along the lines of our work. Let each member present write to such friends and neighboring banks, not members of the Association, urging them to join the Association, and thus contribute to, as well as enjoy, the benefits of our practical and educational work.

Appropriations amounting to $4,500 were made last year by the Executive Council towards the expenses of our Section. The following were our expenditures:

Stationery and Printing	$340.25
Postage	340.00
Stenography and Typewriting	576.00
Rent	300.00
Expenses of Executive Committee	332.68
Expenses of Committee on Joint Accounts	97.00
Expenses of Committee on Auditing	92.63
Convention expenses	239.23
Salary of Secretary	1,200.00
Book of Proceedings	613.23
Stationery for Vice-Presidents	30.47
Sundries	56.50
	$4,217.99

The Executive Committee have audited and approved all the above payments and a special committee has audited all the books of the Secretary.

The above statement of expenditures does not include the special account kept for the book of Printed Forms. This will form the subject of a separate report.

You will have observed, in the circular sent you, a call for printed advertising matter. Many requests have been received at this office for advertising matter suitable for savings banks; at our Convention in Washington two years ago, a fair display of advertising was made; it is now proposed to make as complete a collection as possible of all kinds of advertising matter issued by the savings banks of the United States, and I would ask all of you gentlemen to please send me duplicate sets, not only of the advertising matter that you are using at present, but from time to time of any newly issued advertising matter of your bank. I shall endeavor to divide all that you will send me, and compile it in registers which will be kept in the New York office for the inspection of our members. As regards the reproduction of such, it may possibly be found practicable to make up a book somewhat similar to the book of Printed Forms, which has met with such favorable reception from the savings bank fraternity, but it is not possible to say anything definite on this subject until careful consideration be given to the matter. For the present, I will frankly say that I hardly see my way to make such publication in a practical form, but I shall do my best and shall be greatly obliged for practical suggestions from our members.

Respectfully submitted,

WM. HANHART,

Secretary.

THE PRESIDENT: You have heard the report of the Secretary, and if there is no objection it will stand approved, and so recorded in our report.

The next in order is the Report of the Committee on Printed Forms.

REPORT OF COMMITTEE ON PRINTED FORMS.

The Committee on Printed Forms beg to report that the third edition of the book was published in April last. The total sales up to this date amount to 596 books. They are pleased to report that the book is still selling freely.

Our members have been requested to send in to the Secretary any new and interesting forms not included in the collection, so that if a sufficient number were received, additional pages could be printed and sent to subscribers. Too few new forms have been received so far to make it worth while to print additional pages, and this may possibly be taken as a proof of the completeness of the original undertaking. The total cost of the third edition has so far amounted to about $900, and we have now on hand and paid for about 200 copies of the last edition. The total sales so far have amounted to $6,726.10 net., leaving a balance on hand of $1,361.80. All the receipts and expenditures have been duly audited by a special committee appointed by the Executive Committee.

In conclusion, I will say that the many very flattering letters which are constantly received from the subscribers, show that the work has been very highly

thought of by them, and the Association may well be proud to have issued a work which is of so much educational and practical use to the savings banks of the United States.

Respectfully submited.

Committee on Printed Forms.

THE PRESIDENT: Gentlemen, if there is no objection, the Report of the Committee on Printed Forms will take the same course.

The Report of the Committee on Joint and Trust Accounts, gentlemen, having been printed and distributed to every member of the Association, I think it unwise at this time to consume our time by reading it, but, of course, it will come up in regular order for discussion.

REPORT OF COMMITTEE ON TRUST ACCOUNTS AND JOINT ACCOUNTS.

To the President and Members of the Savings Bank Section of the American Bankers' Association

GENTLEMEN:

In pursuance of your instructions given at our meeting in St. Louis on October 16th, 1906, your Committee addressed a letter of inquiry to each of the twenty-six Vice-Presidents of the Savings Bank Section, asking him to obtain from the officers and legal advisers of the savings banks in his State answers to the following questions:

First—When a deposit is made in a savings bank in your State by a trustee, and by the written direction of such trustee payment is made either during his lifetime or after his death to the beneficiary, will a receipt signed by the beneficiary duly acquit the bank?

Second—If an account be opened in a savings bank by two persons in the names of both, who at the time the account is opened agree in writing with the bank that the money then and thereafter deposited in such account and all interest or dividends thereon shall be payable to either or to the survivor and that the receipt or acquittance of the person so paid shall be a valid and sufficient release and discharge of the bank for any payment so made, will not such agreement and payment protect the bank, unless prior to the payment the bank be notified of an adverse claim?

Third—In your opinion, is legislation in your Sate necessary or desirable on these subjects for the protection of savings banks?

One Vice-President declined to act. We received replies from fifteen others who were diligent in the endeavors to obtain answers to our inquiries and were most helpful in enabling us to reach our conclusions.

In addition to the ten States the Vice-Presidents of which have failed to answer, we find in some of the fifteen States whose Vice-Presidents did answer that there is considerable indifference on the subject among the banks; some of them replied, merely saying in effect: "We do not take trust accounts or joint accounts and do not intend to do so."

The savings banks of Wisconsin, Massachusetts, and Iowa seemed to exhibit a very general interest in the subject and your Committee have obtained opinions and information from practically all the banks in these three States.

The answers show considerable divergence in the practice of the banks, not only among the several States, but in the same State; and also the opinions of the attorneys were not in entire accord in the several States or in the same State. A very large majority, however, answered the first two questions "Yes" and the third "No."

In a number of instances where the answers to the first and second questions were "No," the discussion of the subject assumed a wide range and seemed to lose sight of the primary object which the Savings Bank Section has in view in its present undertaking.

The Section has no desire to change the laws of inheritance or to enable a depositor to evade the laws regulating the distribution of, or imposing a tax upon, the estates of the dead, and most certainly does not desire to enable him to commit a fraud upon his creditors, as intimated by one banker in his answer.

The object is primarily to protect the bank in the payment of a deposit to the person to whom the depositor at the time of making the deposit directs the payment thereof to be made.

After a careful examination of the subject and after a consideration of the legal opinions of the various attorneys for the savings banks throughout the country, your Committee believe that the consensus of opinion is that except in a State where the statute law or a judicial decision provides or decides differently, a savings bank, acting in conformity to its by-laws, will be protected where the accounts are opened in the following manner, the form to be signed by the depositor or depositors in each case:

FIRST—TRUST ACCOUNTS:

"The Section Savings Bank will open Account Number.....
in my name as Trustee for .....
whose residence is .....
and will pay all moneys deposited in said Account and all interest and dividends thereon to me during my lifetime, and at my death to said ....., whose receipt shall duly acquit said Bank.

"There are no other terms or limitations to this trust."

Your Committee are well aware of the principle of law discussed in several of the answers to our questions, viz.: that no trustee can violate the terms of a trust by directing payment of the money to a person or for a purpose not authorized by the instrument of writing or paramount authority under which he acts; nor where the powers of the trustee are by the terms of the trust

limited to the lifetime of the trustee can he execute a valid warrant of attorney to a person to draw on the deposit after the death of the trustee; but the situation for which we are attempting to provide is what may be called a *Voluntary Trust* created by the trustee himself.

The trustee being the donor of money retains the legal title thereto during his lifetime, but says in effect when making the deposit that at his death the trust terminates and the beneficiary takes absolute title to the money free from any claim of the trustee's executors or administrators for the cost and expense of administration of the trust, or for advancements.

This seems to be settled by judicial decision in New York and Massachusetts.

SECOND—JOINT OR TWO-NAME ACCOUNTS:

> "The Section Savings Bank will open Account Number..... in our joint names. All moneys now or hereafter deposited in said account and interest and dividends thereon are our joint property; and the receipt of either for moneys drawn from said account, whether the other be living or not, shall be due acquittance to said bank.
>
> .....
> ....."

Your Committee are also aware of the well-settled principle of law that one person cannot ordinarily grant to another a naked power to collect the money of the grantor after the death of the grantor; nor can he, under the guise of a joint account, make a will which will remove his estate from the jurisdiction of the Probate Court; and if a bank knowingly assists a depositor in any of these improper undertakings it will be liable.

Some few of the answers received by your Committee display a fear on the part of the banker that some trouble, and possibly some expense, may be incurred by the bank as the result of litigation concerning an account opened in one or the other of these methods. This may be so, but in the opinion of your Committee it is not more likely to occur than in numberless other cases where questions have arisen and will continue to arise regarding the ownership of money deposited in a bank which is claimed by some person other than the depositor.

It goes without saying that if the bank has sufficient notice of an adverse claim no payment should be made until the rights of the parties are settled.

Your Committee are aware that in most States technical estates in joint tenancy with the right of survivorship have been abolished, but the method of procedure recommended by your Committee for the opening of joint accounts does not constitute a technical joint tenancy. It is an agreement of the parties concerning the payment of what they inform the bank is their joint property which is not affected by any of the statutes so far as they have been called to the attention of your Committee.

We expressly recommend, however, that no bank act upon our opinion without first submitting the matter to its local legal adviser.

THIRD—TRANSFER OF BANK ACCOUNTS:

Although this matter is not strictly within the scope of the resolution under which your Committee was appointed, yet in view of its importance and of the fact that it is connected with the matter of trust accounts, your Committee think it not out of place to impress upon the officers of savings banks the danger of permitting the transfer of trust accounts on the books of the bank unless it be done under decree of court. The only safe method for the bank is to pay the money to the proper party and take his receipt.

SUGGESTED LEGISLATION:

If in any State doubt exists with regard to the propriety of opening either trust or joint accounts in the manner suggested by your Committee, they recommend that measures be adopted in such State to have enacted the following laws:

First—Whenever a deposit in a bank is made in trust, the name and residence of the person for whom it is made, or the purpose for which the trust is created, shall be disclosed in writing to the bank and the deposit shall be credited to the depositor as trustee for such person or purpose; and if no other notice of the existence and terms of a trust has been given in writing to the corporation, the deposit, with the interest thereon, may, in the event of the death of the trustee, be paid to the person for whom such deposit was made, or to his legal representative.

Second—When a deposit in a bank has been made or shall hereafter be made in the name of two persons, payable to either, or payable to either or the survivor, such deposit, or any part thereof, or interest or dividends thereon, may be paid to either of said persons, whether the other be living or not, and the receipt or acquittance of the person so paid shall be a valid and sufficient release and discharge to the bank for any payment so made.

The first substantially has been enacted in Maine and the second in New Jersey; and similar statutes were pending or have been passed in the States of Washington, Oregon, Minnesota, Michigan, and Wisconsin.

A statute regulating two-name accounts has recently become a law in the State of New York. Your Committee are of the opinion that the wording of the New Jersey statute, as given above, contains all that is necessary for the protection of the bank, and is preferable to the New York statute, a copy of which is hereto appended.

By direction of your Executive Committee this report has been prepared for circulation among the members prior to the next annual meeting of the Savings Bank Section.

Respectfully submitted,

GEORGE C. BURGWIN, Chairman.
WM. R. CREER,
JOHN F. FLACK.

Pittsburgh, Pa., July 31st, 1907.

CHAPTER 247, LAWS OF NEW YORK, 1907.

AN ACT to amend the Banking Law, relative to the payment of deposits in savings banks in the names of more than one person. Became a law April 30th, 1907, with the approval of the Governor. Passed, three-fifths being present.

The people of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section one hundred and fourteen of Chapter six hundred and eighty-nine of the laws of eighteen hundred and ninety-two, entitled "An Act in relation to banking corporations," is hereby amended to read as follows:

Section 114. DEPOSITS OF MINORS, AND TRUST DEPOSITS *AND DEPOSITS IN THE NAMES OF MORE THAN ONE PERSON.* When any deposit shall be made by or in the name of any minor, the same shall be held for the exclusive right and benefit of such depositor, and free from the control or lien of all other persons, except creditors, and shall be paid, together with the dividends and interest thereon to the person in whose name the deposit shall have been made, and the receipt or acquittance of such minor shall be a valid and sufficient release and discharge for such deposit or any part thereof to the corporation. When any deposit shall be made by any person in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank, in the event of the death of the trustee, the same, or any part thereof, together with the dividends or interests thereon, may be paid to the person for whom the deposit was made. *When a deposit shall be made by any person in the names of such depositor and another person and in form to be paid to either or the survivor of them such deposit thereupon and any additions thereto made by either of such persons, upon the making thereof, shall become the property of such persons as joint tenants, and the same, together with all interest thereon, shall be held for the exclusive use of the persons so named, and may be paid to either during the lifetime of both or to the survivor after the death of one of them, and such payment and the receipt or acquittance of the one to whom such payment is made shall be a valid and sufficient release and discharge to said bank for all payments made on account of such deposit prior to receipt by said bank of notice in writing not to pay such deposit in accordance with the terms thereof.*

Section 2. This act shall take effect immediately.

THE PRESIDENT: Likewise the Report of the Committee on Auditing of Savings Banks. That also will come up in regular order for discussion.

WM. R. CRELLER, Chairman Executive Committee

AN ACT relative to the payment of deposits in [illegible] than one person. Became a law April [illegible] the Governor. Passed, three-fifths being present.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Chapter six hundred and eighty-[illegible] one thousand nine hundred and two, entitled "An Act in relation to [illegible] corporations," is hereby amended to read as follows:

AND TRUST DEPOSITS [illegible] THAN ONE PERSON. [illegible] deposit of any minor, the same shall [illegible] such deposit, and free from the [illegible] creditors and shall be paid, together [illegible] or to the person in whose name the deposit [illegible] and the receipt or acquittance of such minor shall be a valid and sufficient release and discharge for such deposit or any part thereof to the corporation. When a deposit shall be made by any person in trust for another, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank, in the event of the death of the trustee, the same or any part thereof, together with the dividends or interest thereon, may be paid to the person for whom the deposit was made. [illegible] deposited by any person in the names of such depositor [illegible] and another or others to be paid to either or the survivor of them [illegible] such additions thereto made by either of such persons, [illegible] shall become the property of such persons as joint [illegible] same right with respect thereto, shall be held for the [illegible] persons to pay [illegible] be paid to either during the [illegible], or to the survivor or survivors of any one of them, and such payment [illegible] receipt or acquittance [illegible] to whom such payment is made [illegible] valid and sufficient [illegible] charge to said bank for all payments [illegible] account of such [illegible] receipt by said bank of notice in writing [illegible] such deposit [illegible] all the terms thereof.

Section 2. This act [illegible] immediately.

THE PRESIDENT. The next order is the Report of the Committee on Auditing [illegible] that also will come up in regular order for discussion.

WM, R. CREER, Chairman Executive Committee.

REPORT OF COMMITTEE ON AUDITING OF SAVINGS BANKS.

To the President and Members of the Savings Bank Section of the American Bankers' Association:

In pursuance to a resolution adopted at the last Convention held on the 16th of October, 1906, in St. Louis, this Committee, appointed by the President of the Section, begs to report that it has held several meetings where the matter of the auditing of savings banks was carefully gone into; for the purpose of getting information on a number of items included in our report, we have also addressed many progressive savings banks, irrespective of size, throughout the country, sending them a list of questions on the different subjects, asking their opinion thereon, and how they handled such matters in their own banks. Many responses were received and we will frequently refer to them in the following report.

The question involved is, as we take it, how to make savings banks safe from within as well as from without, and the whole matter of auditing, for the purpose of convenience and clearness, may be divided broadly into two parts:

1. How the individual records of the bank should be kept so as to secure the accuracy of the general books.

2. What auditing is desirable to prove the accuracy of the books and pass books of the bank.

The different methods of organization of the savings banks in this country make the adoption of a uniform system of auditing and bookkeeping a very difficult, and probably an impossible, matter. Most of the mutual Eastern savings banks are practically only investment institutions for the benefit of depositors, others are capitalized and do also a general business, others again exist as departments of National and State Banks and Trust Companies. Thus, their manner of doing and handling business necessarily must differ considerably and their records and audits are by no means alike. There is, however, an underlying similarity in such special matters which applies to all of them. For instance, they all handle a much larger number of accounts than the regular commercial banks; their depositors are usually not personally known to the officers, as is the case with the other banks; they allow interest, as a rule, at stated times only, and the pass books are required to be presented at the time of transaction for the receipts and payments to be entered therein. On account of the greater number of depositors, trial balances are lengthy and somewhat difficult, and the agreement between the total amount due depositors as shown in the general ledger of the bank, and the aggregated totals of the individual ledgers or cards, is not always attained. As regards this latter matter of agreement, we would say that a great improvement has been made during the past decade in the methods used for the purpose, and at the present time we are informed that nearly all the large savings banks show absolute accuracy in their trial balances of individual accounts. We need hardly say

that this should be the requirement in all savings banks; an error of a few cents or a few dollars, remaining undiscovered, may hide discrepancies of much larger amounts, and it should be the aim of every well managed savings bank to secure accurate trial balances by adopting such a system as will, as far as possible, prevent mistakes, or, when made, detect them within a short time.

We have endeavored to cover the whole subject in a general way only; it must be considered that in addition to the different methods of business of savings banks, there is also the matter of the size of the bank. Methods that may be considered necessary for the large savings banks, would prove too costly and perhaps undesirable or unnecessary for the smaller banks; yet careful savings bank officials have to consider the subject in all its phases. Many of the smaller banks are growing rapidly, and it is a serious matter for them to change their system, because of the increasing number of their depositors. As a rule, it is well for a savings bank to establish, from the earliest possible moment, a correct system capable of unlimited expansion; this will prove less costly than the making of such changes as will become necessary when, sooner or later, the increase of business demands it. We have discussed the whole matter only with regard to the first principles of convenience and safety, and it must, therefore, be understood that our recommendations are made in a general way only and may not always be applicable to every bank; but we believe the general principles to be correct, and in accordance with the ideas and practice of the most progressive savings banks in the United States. We will now take up some of the different subjects seriatim, beginning with the methods of securing accuracy and making proofs in the daily records, and then considering the general auditing of the books of the bank.

COUPON SYSTEM OF POSTING.

The coupon or reverse posting system was introduced many years ago in some of the large savings banks of New York City for the purpose of checking and proving the posting of drafts and deposits on the individual ledgers, and there can be no question as to its usefulness for the purpose mentioned.

Colonel Sprague in his address delivered before the St. Louis Convention in October last, entitled "The Evolution of the Depositors' Ledger," described this system in the following manner, and perhaps we cannot do better than to quote some of his words:

"Still more change has taken place in the methods of posting. Almost universally the original tickets are used for the source of the entries. The old deposit and draft books, so far as they served as a standard for balancing the cash, are replaced by lists of amounts without number or name, rapidly written up by machine from the tickets. In some large institutions these lists are still made in handwriting, but are sectional lists which serve for the further purpose of a test of the posting. They contain the number and name, also two money columns, the furthest of which is alone filled and at the close of the day is torn off and retained by the teller. After the section has been posted from the tickets, the two skeleton lists for that section, one containing the deposits and one

the drafts for that particular section, are taken in hand for the purpose of verifying the postings. Turning to the respective accounts, the amount there found is copied off into the proper line of the list; when this has been done in every case and all the lines added up, the total of each agrees with the total of the portion retained by the teller. If it does not agree, the error is quickly located by placing the torn off strip opposite to where it was torn from.

"This method insures the accuracy of the posting, but not necessarily that of the balance. It is vitally important that the balance should be correct, more important than that the transactions should be correctly posted."

In answer to our inquiries, we find that although some banks know nothing of this system, many banks are using it, the greater number taking off the balance, or the differences of the balances, as well as the transaction, thus making sure that not only the proper transaction has been entered in the ledger, but also that the balance reported in the balance column is correct.

The Committee is of the opinion that this system may with advantage be adopted by all savings banks having over 2,500 accounts and where more than two clerks are employed.

Should any bank not thoroughly understand the method, we will be pleased, on request, to give whatever explanation it may desire and furnish specimen sheets to serve as a guide in adopting the system; two sheets are used for each ledger or section, one for deposits and the other for withdrawals; the totals of the withdrawal sheets, and of the deposit sheets, represent the transactions of the day and may serve the purpose of a cash book. Entries in these sheets should be made preferably from the pass book only.

Large banks (say with 10,000 accounts or over) should keep an account current for every ledger or section, crediting and debiting each ledger or section with daily withdrawals and deposits (the Coupon System supplies these items properly divided), also debiting it with interest as credited on the accounts; the coupon system may be used for proving the postings of interest also.

This gives a fair method of dividing up the total number of accounts into comparatively small sections, and will make the work of proving trial balances much easier, as it limits the search for errors to a reasonable number of accounts.

POSTING IN INDIVIDUAL LEDGERS OR CARDS.

The method of making draft and deposit slips or tickets, when paying and receiving money, these tickets to be used by bookkeepers for posting in ledgers, is almost universal. Many banks use the checks drawn upon them as tickets for withdrawals, and there seems to be no objection to this. These drafts and deposit tickets are handed to the bookkeepers for posting in the ledgers; at the close of the day, after all the posting is done, the tickets are filed away and kept securely for future possible reference.

The Committee recommends to all savings banks, when practicable, the use of slips or tickets of convenient size to be made out by the teller or depositor at the time of receiving or paying; the deposit slip to mention the date, number, name, amount, and also description of the deposit when desired; the draft, or

withdrawal ticket, to contain in addition the signature of the depositor, being a receipt to the bank.

CARD SYSTEM FOR LEDGERS.

There are many points in favor of the use of cards or loose leaf ledgers in preference to the old-fashioned bound book, as for instance:

1. Their great convenience in taking trial balances.
2. Their compactness, requiring little room.
3. The ease in posting daily transactions.
4. The elimination of all closed accounts, giving only the open accounts to handle and search through when looking for a given account.

The Committee, however, realizes that, in the interest of conservatism, many bank officers are opposed to the system, and we would advise a thorough examination into the whole matter before deciding to make a change from books to cards; we would also advise writing to some of the large banks now using cards for their experience and results; our replies from such have been uniformly satisfactory and even enthusiastic.

As regards the danger of losing cards, our inquiries tend to show that this is but illusory. Experience has proven that no loss of cards has really been made; it is possible, however, that cards be misplaced and temporarily missing, and as regards this, a very simple method will enable one to duplicate a missing card in a short time by observing the following directions: Draft and deposit tickets, after being used for posting, should be filed away seriatim, according to their numbers; this requires but little daily additional work; should a card be misplaced, a duplicate card may be made for that account by starting with a deposit in accordance with the last trial balance, and posting to it the drafts and deposits made since that date, as will be readily found when the draft and deposit tickets are filed seriatim as above. A duplicate card can thus be made up acurately within a very short time.

Ledger accounts, whether kept in books or cards, should be ruled and headed so as to practically be duplicates of the pass book.

A balance column will be found desirable in addition to draft and deposit columns, for the pass book and card ledger as well as for the loose leaf book or for the book ledger; it is undoubtedly a great improvement on the old-fashioned debit and credit column. It checks mistakes, prevents overdrafts, supplies ready-made balances, which may be consulted and compared at all times, and is of the greatest value when taking trial balances.

CARD SYSTEM.

The card system for all bank work may be found advisable, we think, except in the case of the books of general account. The system is now generally used in the very great majority of savings banks throughout this country for signatures and index purposes, and may also be, and by many is, advantageously used for all records of loans, mortgage loans, fire insurance, etc., etc.

The Committee recommends the use of cards or loose-leaf books, when-

ever practicable. A few banks having ledger cards take the depositors' signature at the head of these cards; for comparatively small banks, this may prove useful, in so far that the bookkeeper when posting withdrawal tickets will naturally compare the signatures, which will have a tendency to prevent posting to wrong accounts, and it may also prevent the possible fabrication of a fraudulent card.

ADDING MACHINES.

We find the use of these machines pretty nearly universal by the banks to whom we sent inquiries. They are considered a necessity by many, having the advantage of speed, accuracy, neatness, and economy. Nothing can be compared with them for the purpose of taking trial balances, especially for taking such balances at odd times. Of course, the size of the bank must determine this question, as these machines are expensive, but we should say that most banks with 5,000 accounts and over could use some kind of adding machine to advantage.

Referring to the use of adding machines or other machinery, the Committee has received the following letter from Colonel Sprague, a former President of the Savings Bank Section; the mechanism used by him is very ingenious and its description will no doubt prove of interest to our members:

"*The Committee on Auditing and Accounting Methods of the Savings Bank Section*

"DEAR SIRS: In reference to the question of an efficient check on the liabilities of a savings bank, which is the most difficult of the problems confronting us, I would call your attention to the double-entry mechanism in use in the Union Dime Savings Institution, treating it more extensively than I could in the blank submitted.

"Its object is to insure that the amounts entered in the pass books shall be identical with those entered in the books of the banks in amount and in total. Embezzlement in savings banks is almost invariably accomplished by entering in the pass book a correct amount, but accounting to the bank for only a part or none.

"The mechanism in question prints the amount of the transaction, with date, in the pass book; and simultaneously prints on a tape within the machine the same amount without a possibility of variation, and also the number of the account. As an additional safeguard it displays, through glass, a total register, increasing at each transaction. The total indicated by this register, minus the total at the beginning of the day, represents the day's transactions. For this amount the teller is responsible and he is charged therewith in triplicate: 1. The debit entry in the pass book, which the depositor may be trusted to verify. 2. The entries on the tape, which when cut out and pasted in a book forms a journal of the amounts to be credited each depositor's account. 3. By the total over which the teller has no control and which must be corroborated by the bookkeeper's work.

"Thus without the loss of a second's time, a mechanical check is imposed upon the teller's accuracy and honesty, and that by an inanimate machine incapable of corruption or conspiracy. All methods wherein a second clerk is brought in to check the work by comparison, re-recording or otherwise are subject to two defects, loss of time and the possibility of collusion.

"The time occupied is less than where the entry is made in extenso with the pen, and this time may be diminished by one-half when, in very busy times, teams of two work together, one handling the money and the other manipulating the machine.

"Although our machines, being the first in use, were expensive, they have probably paid 10 per cent. per annum on the cost. But this is not the most important advantage; the security from fraud and error and the ability to know the exact total of liabilties is worth far more.

"I hope that your Committee will investigate this appliance or, if that is impracticable, will at least mention it as one of the features submitted.

"Respectfully,

"CHARLES E. SPRAGUE,

"Union Dime Savings Institution, New York."

PASS BOOKS AND LEDGER COMPARISON.

It is considered necessary by some banks that no payment be made to depositors, nor money received from them, without, at the some time, comparing the pass book with the ledger or card, for correctness of balance, and entry of interest when credited; the Committee would recommend that this be done when practicable, although many banks consider it superfluous and cumbersome.

We understand that some of the large savings banks pay or receive money on presentation of the pass book without referring to the ledger at the time; others refer to the ledger only when paying sums above a certain amount. The comparison of the pass book with the ledger appears desirable for obvious reasons and is preferable in every way; in this connection we may mention that in any bank where the officers have ground for suspicion, or where a defalcation has actually taken place, it may be found necessary to order that all pass books when presented to the bank be closed and new books issued; this will bring to light any discrepancies, give new signatures and pedigrees, and procure a fair assurance that the ledgers are correct; it will take some time to do this and cost work and expense, but it seems the only practical way for comparison. Savings bank officers well know that it is not practicable nor desirable to issue a general call for all pass books to be presented at the bank for comparison.

TRIAL BALANCE PERIOD.

As regards the periods for making trial balances, we find from our replies that the majority of savings banks favor taking trial balances twice a year; a few banks are satisfied with one balance per year, others take balances quarterly, and quite a number monthly, the latter, of course, being the smaller banks, or

the banks doing also a commercial business. As a matter of fact, it seems to this Committee that the taking of a trial balance at the time when a dividend is declared should be sufficient, although we would recommend that trial balances be occasionally taken at odd times, whenever practicable.

INCOME.

For auditing purposes the income of a bank may be calculated ahead, that is to say, for the period to elapse until the next dividend is declared; this calculation cannot be made accurately by banks doing a commercial business, but it is by many considered desirable that banks doing a purely savings business, or having a savings department, and making investments of a permanent character, should ascertain beforehand their income from such investments for the next six months or the next year, and ascertain the receipt of it through their cash book. One of the methods employed is a very simple one, and is as follows: Suppose a bank declares dividends every six months, say the first of January and the first of July. On the first of January an account is opened, debiting it with the income from all investments, bonds, loans, mortgages, etc., due for the current six months. When this income is received in cash, this account is credited with each payment so received. Thus on the 30th of June, if the income due has all been properly received in cash, the account will be closed out; any odd amount of income received during the six months may be easily adjusted. It is not an uncommon thing to find savings banks where the officers have no actual and positive proof that the total income due the bank from its investments has been really received in cash during the year, and this is a very important element in auditing. Of course, banks doing a commercial business, as we said before, could not carry such system in operation, but it may be a desirable one for all banks whose investments are of a permanent character; the Committee recommends to every savings bank the adoption of some practical system of auditing its income from investments, etc., the auditor or bookkeeper making statements of all income receivable, and the president or another officer checking the cash receipts at regular intervals.

AMORTIZATION.

The majority of savings banks carry out some system of amortization of their bonded investments, some doing this scientifically, others through a rough system of dividing the premium or discount by the number of years the bonds have to run, and debiting or crediting the premium account with the yearly amount, and others by writing off to profit and loss the premium or discount at the time of investment. That some system of amortization is desirable, we have no doubt; the margin of profit is getting smaller from year to year, and a scientific system of amortization not only enables a bank to ascertain and state correctly its condition at any given time, but also gives it the means of reckoning the true income on which to base its dividends. Of two 5 per cent. bonds, one bought at 90 and the other bought at 110, the par or redemption value of each is $1,000, but while both pay $50 per year interest, the returns are different;

the first investment will receive at maturity, in addition to the interest, $100 more than cost, and the second investment will receive $100 less than cost. If they both mature in ten years, the net interest from the first investment will be 6 35/100 per cent. yearly, and from the second investment 3 80/100 per cent. This net interest forms the basis upon which dividends to stockholders or depositors must be predicated.

We are aware that the law in some States, and the custom in some others, is to carry to profit and loss at the time of purchase the premium or discount on the bonds, being in effect an immediate amortizement, but this is not always possible nor is it always advisable.

We would recommend that whenever practicable some system of amortization, preferably a scientific one, be adopted, so as to supply the bank with the means of ascertaining its real earnings as compared with its cash income. It by no means follows that such amortized values and income need be published, nor used as a basis for statements; but every savings bank should have knowledge of these figures, to base its dividends upon.

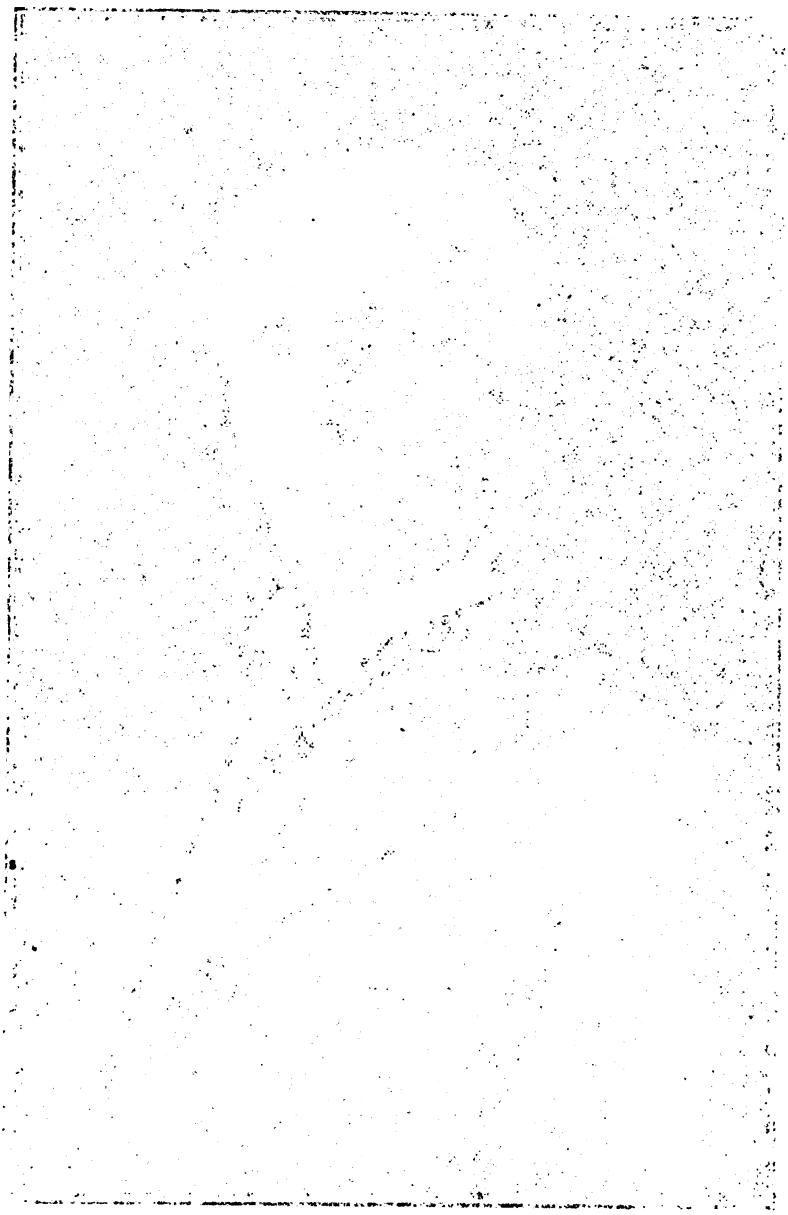
In the State of New York, the Bank Superintendent has the past year requested the savings banks to report to him the amortized value and income of their bonds, and there is a strong probability that this procedure will be adopted in other States. It is objected to by some banks on account of the labor involved; we would say in this connection, that very little extra work is necessary, as has been found the case by many Eastern savings banks which have lately adopted the system.

INDEPENDENT AUDIT.

In reply to our inquiries as to the custom in savings banks, we find that over one-half of the banks written to employ an audit company or some professional outside accountant to examine into their affairs from time to time. The remaining banks inquired of do not approve of this system, and are satisfied with an examination, made once or twice a year, by a committee of their trustees or directors.

As regards such examination, this Committee is of the opinion that an independent audit may often be found advisable, and at times may be absolutely necessary; the expense need not necessarily be very heavy, and it is considered by many as due to the officers, directors or trustees that such examination be made. Such an audit of the income, investment, expense, etc., of the bank, made from time to time and certified to by an independent and competent company or accountant, and printed in the published statements, is considered by many prudent savings bank officers as of interest to depositors and tending to strengthen their confidence in the bank.

We may here mention for the information of our members the plan adopted by a New York State savings bank (a member of our Section) of publishing the pass book accounts by numbers, giving balance due (without the names of depositors); this was advertised in local papers; 10,000 copies of the list were issued in pamphlet form for distribution by mail. It is thought



WILLIAM HANHART, Secretary

[illegible] addition to the interest, $100 [illegible] receive $100 less than cost. [illegible] interest from the first investment will be [illegible] the second investment 3 80/100 per cent. [illegible] dividends to stockholders or de-[illegible]

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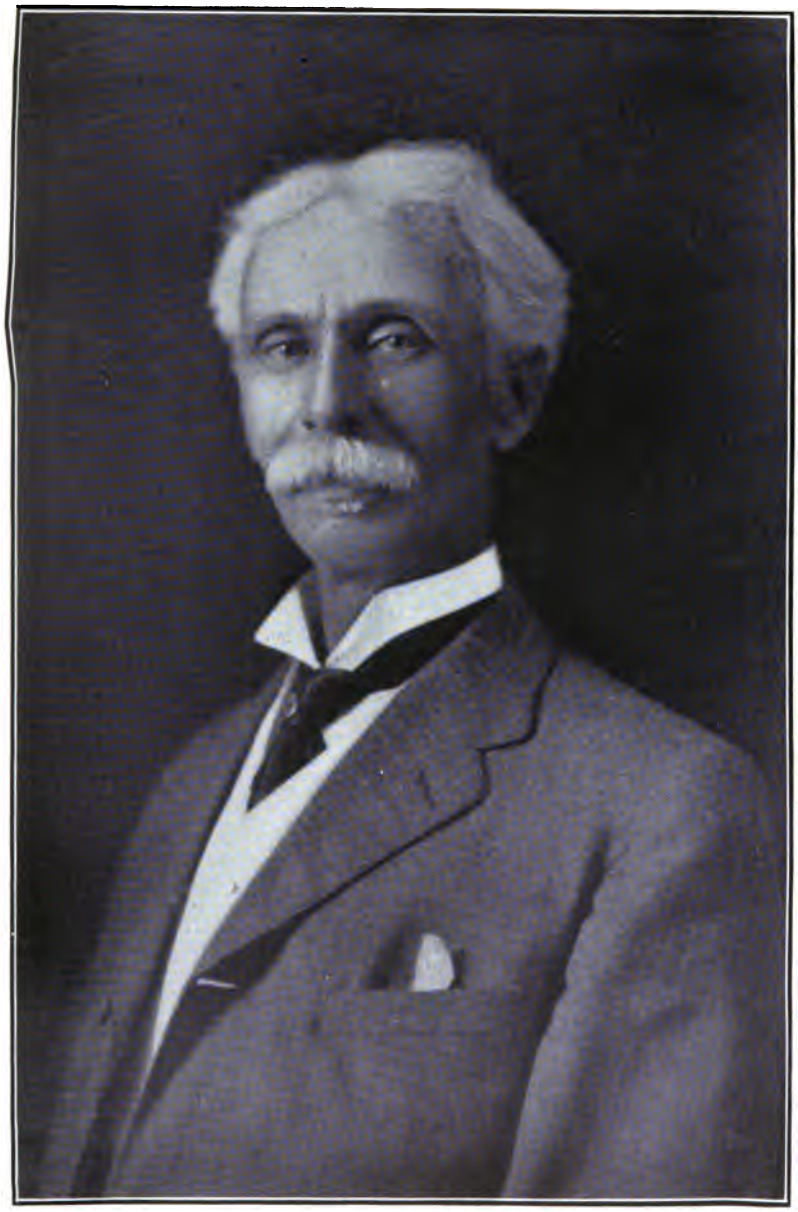


WILLIAM HANHART. Secretary.

that every depositor may well be relied upon to compare his pass book with the published balance, and the bank believes that by publishing such, a complete check is obtained; it also states that although this statement was made during the busiest season of the year, as a special abstract of depositors' accounts, the regular business of the bank was not interfered with to any extent; they employed but two extra helpers (the bank has over 22,000 open accounts), and the cost of making the statement, including the advertising and printing of pamphlets, was in the neighborhood of $1,000. It is not intended to make such a detailed statement regularly, but only at convenient periods.

In conclusion, we beg to say that we are well aware that the whole subject matter of auditing and accounting has by no means been completely covered, as the time which we were enabled to give to its consideration was necessarily limited; the matter is a large one, and should be of considerable interest to all savings bank men, and we would therefore suggest that another committee be appointed at this convention, to continue this interesting work, and report at the next meeting; indeed, we might possibly suggest that a committee to deal with the subject and to keep in constant communication with our members, respecing the most modern methods of accounting and auditing, be appointed at every annual Convention of the Savings Bank Section.

Respectfully submitted,

EDWARD L. ROBINSON, Chairman.
JOHN C. GRISWOLD,
F. W. JACKSON,
WM. HANHART, Secretary to Committee.
} Committee.

July 31st, 1907.

THE PRESIDENT: We will take up at this point the appointment of a Nominating Committee, and I appoint as such committee William M. Kern, secretary Dollar Savings Bank, New York, and George B. Dunning, secretary Irving Savings Institution of New York. Later on there will be Vice-Presidents from the various States to be elected, and if there are any names which delegates wish to suggest for Vice-Presidents of the several States, kindly give them to this committee and they will receive due consideration.

Gentlemen, the next in order is a paper on Savings Bank Life Insurance, which Mr. Alfred L. Aiken, treasurer of the Worcester County Institution for Savings, of Worcester, Mass., has kindly agreed to read to us.

SOME ASPECTS OF SAVINGS BANK LIFE INSURANCE AS PROPOSED IN MASSACHUSETTS.

ALFRED L. AIKEN, TREASURER WORCESTER COUNTY INSTITUTION FOR SAVINGS, WORCESTER, MASS.

AT the last session of the Massachusetts Legislature, an act was passed permitting the establishment of a Life Insurance Department by our savings banks. This law is of interest to the community at large as well as to the savings banks; first, because it is claimed that it will reduce the cost to the wage earner of what has now become almost a necessity of life; second, because it marks a radical departure from the conservative course which our savings banks have been obliged to steer under the heretofore existing statutes.

I shall not weary you in exhaustive analysis of the bill, nor with the story of the campaign which resulted in its passage, but will bring to your notice, as briefly as I can, its salient points, that you may have a clear idea of the purpose of the sponsors of the plan; and shall then speak of some of its merits and demerits as they appear to me.

As to the bill itself, it is permissive. No savings bank in Massachusetts need undertake the industrial insurance business unless its trustees and corporators so desire. You are doubtless aware that our savings banks are mutual institutions; that their control and government are in the hands of a corporation vested with power to elect a board of trustees which elects the active executive officers of the bank. The law recently enacted makes it necessary that the undertaking of an insurance business shall be formally approved and sanctioned by both the corporation and the trustees, and an application for a license to conduct this business must be made by them to the Bank Commissioner, whose approval and that of the Insurance Commissioner is necessary before the business can begin.

Before the Bank Commissioner and the Insurance Commissioner can issue their certificates of authority to the bank proposing to undertake this business, the law requires the establishment by public-spirited citizens of two funds, the returns on which to the contributors being limited to the rate of interest paid by the savings bank on its deposits. These funds are both subject to redemption when the profits that shall accrue from the insurance business justify it under the terms of the law.

The first, called the "Special Expense Guaranty Fund," must amount to not less than five thousand ($5,000.00) dollars, and is to provide for the expenses of the business until it shall become self-sustaining; the second, the "Special Insurance Guaranty Fund," must amount to not less than $20,000 to protect the Insurance Department against any extraordinary mortality experience, or until the business reaches sufficient proportions to make the law of averages applicable.

The law provides an alternative provision for the elimination of this second fund, but the possibility of usefulness is so remote as to make it hardly worth while to devote any of our limited time to its consideration.

There is still a third fund established by the law, known as the "General Insurance Guaranty Fund," to be made up of monthly contributions, by all the insuring banks, of an amount equal to 4 per cent. of the premiums collected by them during the month preceding. This fund is in the hands of, and is controlled by, a board of trustees appointed by the Governor of the Commonwealth, and is subject to the draft of contributing banks, to maintain unimpaired the Special Insurance Guaranty Fund. One rather novel thing in connection with this fund is the provision of the statute that, though the draft upon this fund by the insuring bank becomes a liability of the institution, yet in determining its solvency this is not to be considered a liability.

Among the functions of the trustees of this General Insurance Guaranty Fund are the selection of a State Actuary and a State Medical Director, who shall make such tables of rates and reserves and such forms of policy and annuity contracts as the law provides. All forms, blanks, etc., for the conduct of the business shall be furnished, gratis, by the Commonwealth to the insuring bank. I would especially call your attention to this, because of the fact that at once an element of State charity is introduced, a thing which if once undertaken is difficult to check or restrain. This to my old-fashioned and conservative mind is distinctly undesirable in its pauperizing tendency.

The law is explicit in its prohibition of the employment of solicitors and collectors under any circumstances, and the business must be conducted as a strictly over-the-counter proposition.

Our time is too limited to consider the purely technical provisions of the bill in regard to cases of lapse, surrender, etc., but it will suffice to say that under them the interests of the insured are well safeguarded. The business under the bill must be essentially local and limited to the community in which the bank is located. No bank can insure persons who are not residents of the Commonwealth.

The expenses of the State Insurance Department controlling the insurance business of the banks are to be paid from the general tax levy of the Commonwealth, and not from the "loading" on the premiums, thereby committing the State to a contribution toward the premium of every policyholder in the savings insurance bank, an expense heretofore, and to my mind properly, borne by the insurer himself. Life insurance in its fundamental aspect may be regarded as a necessary item in the cost of living. I feel that it is distinctly against public policy that the State should commit itself to a contribution toward the family expenses of the well-to-do wage earner.

No insuring bank can issue an insurance policy for an amount more than $500, nor an annuity contract calling for the annual payment of more than $200 upon any one life. The Savings Department and the Insurance Department, so far as their funds are concerned, are to be entirely independent of one another, the assets of neither department being under any circumstances available for the satisfaction of the liabilities of the other.

After having made a careful study of this bill, both as proposed and as ultimately passed, I am obliged to confess that I can see no merit in it beyond

that of ingenuity. Perhaps as a savings bank official and therefore fairly conservative in my point of view, I am timid in welcoming such an innovation, but it seems to me that it is very desirable that the savings banks, which are preeminently the banks of the thrifty wage earner, should be kept free from any undertaking that is in a measure speculative and experimental, as this savings bank insurance plan, even by its friends, is admitted to be.

In the Commonwealth of Massachusetts, which has a population of approximately 3,000,000, there are about 2,000,000 open accounts in the savings banks, representing deposits of almost $700,000,000. These deposits, if they mean anything, mean a wonderful degree of confidence in the minds of the working people in our institutions. They have reached this enviable place in public esteem by an absence of innovations. The entrance upon any experimenal field would be looked upon with great suspicion by all classes of depositors and would create a feeling of distrust which has heretofore been conspicuous by its absence. My doubts as to the success of the plan would perhaps be less clearly defined had I been able to find a single life insurance expert who believed for one minute that the plan would succeed, or had I found the treasurer of a single large and active savings bank who endorsed the bill. As a matter of fact, at the hearings held before our Legislative Committee in consideration of the matter, the petitioners presented no life insurance expert, nor was a single savings bank treasurer called upon by them in support of their measure.

Over-the-counter life insurance for the wage earner is not, as some may have supposed, an invention of the brilliant Boston attorney who is the sponsor for this bill, but has been tried before and has never proved really successful. You are perhaps familiar with the attempt of the British Post Office to carry on such a business, and doubtless know that in spite of the great moral effect of the financial strength and solidity of the British Government, in spite of the much greater familiarity of the English people than of our own with industrial insurance, the business has been unsuccessful. The results achieved there are positively laughable to the active insurance man, and must discourage the optimist who longs for savings insurance banks. As a matter of comparison, I find that if all the savings banks in Massachusetts should undertake the industrial insurance business and meet with a success equal to that achieved by the Insurance Department of the British Post Office in the last year for which I have been able to obtain the figures, the combined banks of the Commonwealth would write .42 of one policy, a result which cannot lead to high hopes for the undertaking proposed for us.

There really can be but one excuse for this measure, namely, the hope that it may provide cheaper life insurance for the wage earner; but it seems to me that there is no substantial ground for such a hope. In all our larger centres of population, and it is only there that small insurance companies can live, it will cost the insured as much as to get his premiums to the bank by his own effort as would be his contributive share in the salary of the collector provided by the company.

The investments of this savings insurance bank are restricted just as are

those of the savings bank proper. The scope of the competing life insurance company investment is much wider; its taxes are about one-half as great. With a narrower and less remunerative field for investment, with the State tax approximately twice as heavy, with a mortality certainly as great and subject to much greater variation than that of the industrial insurance company as now conducted, how can we hope for cheaper life insurance from this source?

Up to this point we have only examined this bill from the insurance point of view. I shall trespass a little longer on your time to mention a matter that touches me more nearly, and that is, the bill in its relation to the savings bank and its depositors.

Our savings banks, by scrupulous regard for their relations to the depositors and great care and economy in their management, during an experience of almost a century, have made for themselves a reputation that compares favorably with that of any similar institutions in the world. Almost two-thirds of our population, men, women, and children, are depositors in our banks and sharers in their success. No better evidence can possibly be given of the place these banks hold in the minds of the community. This element of good will, of absolute confidence, which has been almost 100 years in the making, is just as valuable an asset as the bonds and mortgage loans, even though it be a less tangible one. It is an asset that has been handed down from generation to generation of depositors and belongs as an inalienable right to the depositors of the banks to-day and their descendants. The petitioners for this measure have publicly stated that the extension of the functions of the savings bank to cover industrial life insurance was because this confidence in which the savings banks are held in the community would make for the success of this entirely extraneous business which we are to be permitted to do. It seems to me that the trustees of a savings bank have no more moral right to use that good will in exploiting this proposed business than they have to use the more tangible assets of the bank. They both belong to the depositors, and it is neither just nor equitable that either of them should be in any way applicable to the support of any business outside of the normal functions of an institution for savings. The minute a depositor opens an account in one of our savings banks, just at that time he establishes the relations of beneficiary and trustee between himself and the officers of the bank. That relationship cannot be too carefully guarded. (Applause.)

THE PRESIDENT: Owing to the absence of Mr. Harwood, Mr. Edward L. Robinson, vice-president of the Eutaw Savings Bank of Baltimore, Md., will read Mr. Harwood's paper on "Postal Savings Banks."

POSTAL SAVINGS BANKS.

BY LE ROY HARWOOD, TREAS. THE MARINERS' SAVINGS BANK, NEW LONDON, CONN.

Mr. President and Gentlemen:—

SINCE the convention of 1904, when Hon. Willis S. Paine, of New York, delivered a most interesting paper on "Postal Savings Banks," much has been said for, and more against, the establishment of this system. In considering the subject, it is best, perhaps, to take up first the question of demand. A strong desire for postal savings is said to be found in the West and South, where large territories have no banking facilities of any kind. It goes without saying, I think, that banking capital is always assembled where it can be profitably used, and therefore just so soon as there is sufficient demand in these isolated communities there will be found banking capital for their purposes. It is an open question whether the northern part of the country needs postal savings banks very badly, owing to the present good banking facilities. In New England and New York, for instance, savings banks are plentiful, and trust companies with savings departments are numerous. It is possible that these banks would better serve the working population if they were open at least one evening in the week for receiving deposits. I am glad to see that we are to have a paper on this important subject.

I venture to make the assertion that the strongest demand for postal savings banks comes from sections where, owing to improper and inadequate state laws, dishonest private bankers and irresponsible banking institutions—so called—have been permitted to accept savings deposits and have betrayed the trust. It is natural that depositors in these institutions should be bitter toward banks in general, and should demand Government protection. As a matter of fact, the loss of their money was due to criminal negligence on the part of their legislatures, and the remedy lies within their own state boundaries, and should not be sought from the general Government. If the people of the West and South need savings banks, they should go about creating them, rather than call on the Government to take upon itself the burden of investing their savings.

The main objections to the system may be briefly stated as follows: *First*, a constantly increasing Government debt; the more the deposits the greater the debt; the attendant danger of a large fund on hand would doubtless mean ex-

travagant expenditures. *Second*, removal of funds from local investments; consequent increase in rates; a following retard of local development. *Third*, removal of taxable property from communities by converting it into Government funds; consequent tax dodging and increase in tax rates. *Fourth*, constant changes in administrative heads by political appointment; consequent changes of policy, with attendant expense and danger; increase of Government offices to be filled by political influence. *Fifth*, constant lobbying for disposition of Government funds; and continual amendments of law by Congress. *Sixth*, expense to Government; post offices not on a paying basis at present, on account of unbusiness-like legislation. *Seventh*, deposits not subject to process; consequent facilities for evasion of debt.

The only good arguments in favor of the plan being, briefly, safety and convenience.

As to convenience, an improved postal service, and particularly the rural free delivery, will offer just as convenient a means for depositing money as could ever be provided by Government savings banks.

The argument which has been presented bearing upon the absolute safety of Government savings banks is one to be considered. On the other hand, the practically absolute safety of savings banks proper, and of all other classes of banking and institutions doing a savings business, must be considered. An investigation of statistics bearing on this point would bring to light the fact that the percentage of loss to depositors in these institutions is infinitesimal. I have thought for some years that some sort of general governmental supervision of savings institutions would be a good idea. By this, I do not mean that the Government should assume direct charge or supervision of the banks themselves, but rather a sort of general oversight and advisory attitude toward the state governments, which should, by all means, have the direct supervision of the banks in their territory. This would have the effect, perhaps, of bringing about better and more uniform investment laws and better examination and supervision of the banks, where to-day each state has its own methods of handling this business; some good, some poor. The expense to the Government would be so small as to be hardly worth mentioning. The cost to this Government of postal savings banks would undoubtedly be very great. The savings banks of this country are conducted at an annual expense of about one-fifth of one cent per dollar of deposits, and it is extremely doubtful if this could be matched by the Government, even after many years of operation. A great disadvantage which has been repeatedly brought to attention is the fact that the money which may be deposited with the Government is immediately taken away from the locality to which it belongs, and that locality deprived of its use in the development of its business and property. This, of itself, is a most serious objection. The Western or Southern community, to which the postal savings bank idea would appeal, needs all its moneys for its own development and use. This money should be gathered together and loaned back to these communities on mortgages and notes. The rapid development of the Eastern States has been due in no small part to this principle, and the West and South should not be deprived of these advantages. It is necessary, therefore, to devise some plan for keeping

this money near home. The mutual savings bank of the East is perhaps considered the ideal savings bank, and the process of establishing and building up these institutions is simple in the extreme. Were the working of these institutions better understood, they would no doubt meet with favor in all parts of the country, and a Government savings bank commission could be of great service in spreading information of this kind wherever there seems to be a desire for savings depositaries.

As to whether postal savings banks will stimulate to any great extent the habit of saving, as has been suggested by its sponsors, is an open question. The mere fact that the Government accepts savings deposits may bring about a certain amount of evidence of saving on the part of a certain class of people, who, coming from other countries, have been taught to look to the Government in all things, and may have the effect of putting in circulation the results of their saving, which, at the present time, are hidden away on their persons or in their homes. These, however, are the *results* of saving, and not the *creation of habit* which is needed. It is not, perhaps, so much the foreigner who needs education in saving as the native-born American, who, while he may not save, is fully aware of the fact that he can get more than 2 per cent. for his money. Still another objection is given in a recent letter to the press by the Dean of Durham, reading as follows: "People are not willing to transact their private business with public officials. The shy youth or timid maiden wanting to lay by a shilling or two shrinks from facing these busy men. The large class of household servants, being the prey of adventurers, need special encouragement in thrift, by means of sympathetic interest, which the postal officials have not time to give."

It may not be out of place to say just a word as to the conduct of postal savings banks in other countries, though, as I have said before, this question is not to be decided on the failure or success of the system in another country where the conditions are entirely different.

I am told that the postal savings system in Canada is conducted at a loss to the Government, and is not looked upon as favorably to-day as was the case some years ago. In no country has the system been handled so as to meet expenses and pay a decent return to the depositor on his savings. In a recent issue of the London *Statist* appears a severe criticism of the position of English Government Savings Banks. The English Government is on the point of taking up the question of a complete change of its policy and method of conducting government savings banks. Among other things, it is stated that the funds deposited have not been laid out so as to give satisfactory returns to the working classes as a reward for their self-denial in accumulating these funds, but rather has been used for the purpose of bolstering up the credit of the Government, and this money is taken from the poorest classes for the purpose of benefiting the taxpayers generally. This question is considered one of the most serious of the public questions in England to-day. This leads me to say that the homely adage, "Look before you leap," may be applied to the movement for postal savings banks in this country.

Taking it for granted that the arguments *for* postal savings banks outweigh

those *against* the system, and that the Government, after due consideration, has decided to enter upon the experiment, I would suggest that the system be adopted only in states which have not savings institutions sufficient in number to meet the demand, and that just so soon as a state has proper banking facilities the Government postal savings service be withdrawn, the whole intent being to provide for states that now lack savings facilities. I would suggest that the moneys collected by the postmasters under the operation of this plan be deposited in the nearest national bank, giving preference to the national banks with a capital of $25,000.00, which are numerous, and which have the advantage over others in being permitted to loan on mortgages; these banks to pay the Government 3 per cent. for the use of this money under such conditions as may seem wise, it being understood that so far as possible the money should be invested in mortgages on real estate, subject to proper conditions, which would be similar to those under which Eastern savings banks make these loans. Surplus moneys to be invested in state banks under proper restrictions and conditions, and also in savings banks in any state the laws of which governing savings banks are satisfactory to the Government department having the matter in charge. This will have the effect of inducing proper practical legislation in many states, and of bringing about a desirable uniformity of laws.

From the 2½ per cent., which the Government receives for this money, it will pay the depositor 2 per cent. It will lay aside ¼ of 1 per cent. as a reserve fund, the balance of ¼ of 1 per cent. being allowed for expenses. In case of a failure of a postal savings depositary, government deposits shall be considered a prior lien on its assets. In case the question should arise in anyone's mind as to why Eastern savings banks should have the benefit of money collected in the West, it should not be forgotten that the greatest market for Western and Southern municipal and railroad bonds is the Eastern savings banks.

Granted that the postal savings system, as above briefly outlined, might be a good thing, I still believe the better plan to be that of having a government savings bank commission, if this be a possible and legal creation; this commission to act in an advisory capacity toward savings institutions generally; to have the power to examine into the condition of saving institutions, to ascertain whether or not the methods of conducting the business are proper and economical; to consider present laws and to recommend to state legislatures proper savings bank legislation, the whole tending to bring about uniformity of laws and safety to the depositors; to investigate the desirability of branch banks; of interstate savings banking, as now practiced; and in short, to make a thorough investigation of all matters pertaining to savings and savings institutions in this country and in other countries, that the American people may be stimulated to save, and that safe depositaries may be provided for their savings which shall return a maximum of income with a minimum of risk.

It might be a good thing if there issued from the office of the Comptroller of the Currency a definite ruling permitting national banks to operate savings departments.

I believe, gentlemen, the matter comes back forcibly to us as officers of sav-

ings institutions. We have a duty to perform in assisting in the education of the American people to the desirability of saving a part of their earnings, and I believe that no one else can do this work for us, though a government commission can be of inestimable value, in that it would, in addition to the advantages already mentioned, add prestige to our savings institutions, and inspire confidence in the minds of depositors. The time has come when in this feverish demand for postal savings banks we should discern the arrival of a new period in the history of savings institutions in this country. It is our duty to face the matter squarely, and from being an association of dignified, responsible investors of savings, we should become a national institute for the education of people to save. Let us do all we can to obviate the necessity of having the Government burdened with additional cares which we are well aware it can ill assume. Let us take up in a serious way this question of providing not only safe and convenient depositaries for the hard-earned savings of our working people, but also of devising means for the education of these same people to the use of these depositaries. I would, therefore, Mr. Chairman and Gentlemen, take the liberty for the purpose of bringing this matter to a definite conclusion, of moving the following resolution: RESOLVED, That the President of the Savings Bank Section, A. B. A., be requested to appoint, within thirty days from this date, a committee of five members of this association, who shall investigate the question of postal savings banks in limited territory; the desirability and scope of a government savings bank commission; and recommend to this body such action as is deemed proper to promote the usefulness and safety of savings institutions. (Applause.)

THE PRESIDENT: The next address, gentlemen, will be by Mr. W. R. Creer, secretary of the Cleveland Savings and Loan Company, Cleveland, O., entitled "Uniform Laws for Savings Banks in the Various States."

UNIFORM LAWS FOR SAVINGS BANKS IN THE VARIOUS STATES.

WM. R. CREER, SECRETARY THE CLEVELAND SAVINGS AND LOAN CO., CLEVELAND, O.

TO safely care for and wisely invest the savings of the American people is a task of large and increasing proportions, and of surpassing importance to the public weal. No more patriotic service can be performed by or exacted from any class of citizens than is offered by the bankers of the country at large, who faithfully discharge this enormous responsibility.

If paternalism on the part of the Government, whether State or National, is ever desirable, it is in enacting laws that will render secure the savings of the people.

Wise and just laws are needed in the various States, and where such laws have not already been enacted the best in other States should be chosen as models, so that in all important particulars these laws should be as uniform as possible.

Ordinary bank deposits are simply an interchange of commercial credit between customer and bank. Savings deposits represent the time and toil of countless workers, transformed into money. This money is placed in the savings banks for safe keeping and investment by that portion of the community whose knowledge is too limited to care for and invest their funds.

In order that the laws governing savings banks be of the greatest protection and benefit it is necessary that these laws be applicable to savings deposits wherever and by whomever held. The Probate, Surrogate, and Orphans' Courts of the various States minutely direct in what manner administrators, guardians, or trustees shall invest the funds in their hands, and conservative forms of security are designated.

Money left by a person deceased is no more sacred nor deserving of greater consideration than that which is being saved through modest weekly or monthly deposits for the ultimate purchase of a home, or the savings of years, represented by a bank book, which are intended to insure protection from poverty in old age.

Savings banks should therefore be restricted in the loaning or investing of funds—safety of prinicpal should always be the most important consideration—not the rate earned by the bank, nor the dividend to be paid the depositor. Time and experience have demonstrated what are, and what are not, desirable investments for savings banks.

Many States have exclusive savings banks, while in other States the national and commercial banks as well as trust companies have savings departments. To properly safeguard the interests of depositors it is not sufficient to enact laws for the guidance and control of the exclusive savings institutions, but these laws should apply with equal force and be just as binding upon any bank or firm that solicits or accepts savings deposits, whether it be a National, State, or savings bank, trust company, private bank, or department store.

If some large mercantile firms, which are at present soliciting deposits, were compelled to come under the supervision of a bank commissioner and invest such funds in the manner prescribed by the laws of Massachusetts and some other States, their activity in this direction would cease immediately.

It is manifest, therefore, we contend, that any and all laws regulating savings banks should also apply to the savings held by any other form of bank. It is equally apparent, we believe, that only on basic and vital questions can laws be framed that can be enacted uniformly in the various States, as it is hardly possible to draft a savings bank bill in its entirety that could meet local conditions the country over. The excellent laws governing savings institutions in the Eastern and New England States can serve as a guide in other States where additional legislation is desirable.

One of the greatest benefits accruing from copying the laws of other States is the fact of their being uniform in phraseology. Thus a judicial decision in one State on a given statement of facts may prevent the same question arising in another State, if the wording of the act is the same.

There should be a law in every State exempting savings deposits up to a reasonable amount from taxation. At present many of the States place a tax upon thrift. Those having sufficient funds may purchase municipal bonds bearing a rate of interest greater than the savings bank dividend, which are tax free, while those with a few hundred dollars in the savings bank are expected to return the same for taxation. The highest service the State can render its citizens is to stimulate every endeavor among its people that tends to develop thrift and economy—let there be a premium upon self-help, not a tax.

A rigid uniform law regarding the investment of funds is a prime necessity. Make it apparent that the safest place for savings is the savings bank, and thus save the people from the maelstrom of speculation.

If a bank engages in more than one kind of banking, its savings deposits should be invested in conservative securities, and the accounting of such deposits and investments should be kept separate and apart, and in case of disaster to the institution, such investments to be held exclusively for the benefit of the savings depositors.

By appropriate enactment, the rights of minors and married women in their accounts should be made uniform, joint, and two-name accounts, as well as trustee accounts, or deposits made by one person for the benefit of another should be covered by a plain and uniform statute.

In other words, those vital questions, which are usually covered by the rules of well organized and intelligently directed savings institutions, should have proper

enactment into a uniform law in the various States, thus removing from the field of conjecture all doubts as to whether such rules are a binding contract or not.

Anything that will give uniformity to our laws and make them general in their application, and thus more easily understood, will further popularize the savings banks. Uniformity means simplicity, and simplicity understanding and confidence on the part of the public.

Make secure and stable the lines within which savings banks do their business, give publicity to the facts, and the people will gladly, and in increasing numbers, take advantage of the important service offered by our institutions.

The time was when the savings bank was regarded as a place to deposit money awaiting investment. Rightly understood, a savings account now is an investment, and the wisest and most profitable for the large majority of the people who patronize our banks. (Applause.)

THE PRESIDENT: Gentlemen, we will now listen to Mr. Edward T. Perine, treasurer of the Audit Company of New York, on "The Independent Audit of a Savings Bank."

THE INDEPENDENT AUDIT OF A SAVINGS BANK.

BY EDWARD T. PERINE, GENERAL MANAGER THE AUDIT COMPANY, OF NEW YORK.

Mr. President and Members of the Savings Bank Section of the American Bankers' Association:

I SHOULD like, with your permission, to present a program for bank examining of the broadest possible scope. I think I may fairly do this because savings departments are maintained in so many State Banks, National Banks and Trust Companies, as well as for the reason that so many of our Savings Banks are authorized by law to do a commercial business. Again, in thus broadening my subject, I wish not to draw sharp lines between the duties of examining committees of directors (or trustees), and those services from time to time rendered by either legally appointed examiners or specially chosen accountants. In a word, I offer certain plans which involve the most searching methods of answering for the absolute soundness of a banking business. If in instances of many of the banks here represented some of these plans may be beyond the scope of a particular Savings Bank's business, I would nevertheless urge that every feature that can be made to apply to that bank be so applied. Although I believe that in many cases there will be, in what I propose, greater exactions upon the time of directors (or trustees), with perhaps some increased expense for outside professional help, I would still urge that every so often that bank subject its inmost affairs to a thorough, penetrating probe.

Such a probe should, to my mind, consist of three main tests:

First—Are the assets intact and the liabilities truly shown by the books?

Second—Is there soundness and safety, in all that the terms imply?

Third (and under this head I shall ask you to listen to certain ideas original, so far as I know, with myself)—What standards are there of individual duty?

First, therefore, let us consider the question:

Are the Assets Intact and the Liabilities Truly Shown by the Books?

The plain question involved is whether any defalcation exists. In this connection let me mention briefly the methods by which bank officers or employees steal. Generally it is according to one or more of the following practices:

The theft of money, hiding the act either by substituting fictitious cash items or vouchers which are not proper charges against the accounts of cus-

tomers or against expense account, or else by withholding deposits or receipts of principal or income, in which cases the proper credit vouchers are withheld or destroyed.

The misappropriation of stocks and bonds owned or held as collateral, including trust securities and unvalued securities.

The improper transfer of bank funds by draft or check, involving the juggling of clearing house accounts, or of balances with other institutions.

The transfer of individual credit, usually out of large and fixed deposit accounts, generally into the name of some outsider acting as the confederate of an individual bookkeeper.

The over-issue of certificates of stock or certificates of deposit.

It is against practices like these that a bank should be safeguarded, by means of frequent searching examinations, whether made by legal examiners or by directors (or trustees) and accountants. As to the manner of the work—apart from the frequent checking up by officers of all matters entrusted to employees—several times a year a descent should be made, without warning, upon officers and employees alike. Three o'clock in the afternoon is, for several reasons, the best hour at which to begin to verify the assets. There is less interruption to the day's work. There is a chance afforded of counting the cash, and examining the other assets, not only in terms of balances, but in the light of the transactions of the day, involving possible differences or delinquencies which would not, in all probability, be apparent the next morning. Moreover, in large banks, with clearing facilities, there is an opportunity, in the afternoon, for inspecting the quality of the day's exchanges. I think, too, that no ledger statement of accounts handed by the general bookkeeper to the examiners in the morning, is nearly as valuable a basis of examination as a trial balance taken by the examiners themselves the night before.

The cash should be proved in bulk before being counted in detail. The examiner, in dealing with the cashier, treasurer or teller, should demand all of the money of the bank, and should hold it in one place until it has been "sized up" as agreeing with the exact requirements of the books, being turned back to the proper representative of the bank only after the details of all the packages of bills and bags of coin have been proved. I do not say that a bank examiner ought to count every package of bills of small denomination. I do say, however, that the mere lifting about of bags of currency does not constitute a count. Too often are packages of small bills, absolutely uniform in size, thumbed over and over by well-meaning but inexperienced bank examiners, while on the other hand in too few banks are there scales suitable for weighing to a nicety the large quantities of gold, silver and minor coin so often tallied up by an examiner on no better proof than information and belief as to the contents of the bags.

If there are legitimate cash items held in lieu of money, such as items to be collected by hand and returned items, a list should be carefully prepared by the examiners showing dates, names, particulars, and amounts. This list should be certified by one or more officers of the bank. Inquiry should be made as to whether there is a petty cash fund, and if there is, cash or proper vouchers

should be examined to prove the precise amount of such fund. There should be a careful verification of the items and totals of the day's exchanges, as to items sent out and items received, and there should be an inspection of the cash or drafts delivered in or out of the bank on balances. An examiner, aided by the officer of the bank most familiar with customers' names and credits, should examine the quality of the exchanges, the officer certifying in writing to the examiners that to the best of his knowledge no bogus checks or drafts have been included with the outgoing exchanges of the day. I urge this as being of the utmost importance, knowing of instances in which defalcations by tellers have been concealed at the time of examination of cash, the stolen amount in each case being covered by the substitution of a bogus check, and a like sum being taken out, after the count of the cash, and used to make good the check at the time of its reaching the other bank.

There should be an exact reconciliation secured by the examiners of every balance due from and due to other banks. These reconciliations should be in writing, accounting for items in transit, and they should be inspected as to the regularity of every exception. There should be a proof of each account with another bank, and it should be a proof to the penny. I submit that previous accounts current, pass-book balances, and the like, are not of themselves conclusive proofs of this portion of the bank's assets, as compared with independently secured reconciliation statements.

As regards the verification of assets other than cash, they should all be placed before the examiners at one time, to be listed, counted, and then turned back to the officers. I say at one time because there is always danger that certain items might be offered to be counted a second time. I have no patience with committees or accountants who permit the inside people of the bank to assist in counting packages of bonds, or with those who adjourn at the end of the day's business without sealing up in the vault both the assets which have been verified and those which remain unverified.

Securities, loans, with their collaterals, mortgages and notes should, of course, be inspected and the items and totals made to agree exactly with the requirements of the general books. Securities held in trust, and any unvalued securities, should be examined with much care. In fact, as to both of these, it is usually wise to make lists which can be retained with the other working papers, and filed away by the examiners so as to be referred back to as a basis for auditing these classes of securities at the time of the next examination. Notes or other items out of town for collection should be verified in the same careful manner as that used in the reconciliation of cash balances due from and due to other banks. Let me say also to officers and employees that I deem it of importance, whatever the standing of those who do the examining, that the people in the bank should recount all the cash, securities and loans immediately after the examiners turn them back.

Under the head of liabilities, banks having share capital should present both their stock ledgers and certificate books to the examiners. The various holdings as shown by the stock ledger should be not only totalled, but checked against the open stubs of the certificate book. A careful book analysis should be made of the

records showing outstanding treasurer's or cashier's checks, outstanding certified checks, and outstanding certificates of deposit. There should be such an examination of individual ledger balances as to prove, in a small bank by a footing of the balances, or in a large bank by a footing of the accounts controlling the various customers' ledgers, that no differences exist, and that the totals of the trial balances most recently taken are correct according to the general books of the bank.

Such an examination as has been outlined can easily be made, in even a very large bank, several times each year.

I now have to present a program for a less frequent but more comprehensive investigation. This, in addition to what has already been outlined, should be made, preferably once a year, certainly once every two years—in the form of an examination and report in response to the question:

Is There Soundness and Safety in All That the Terms Imply?

Briefly, now, I will mention certain features which when examined into and reported upon ought to make for soundness and safety. Borrowers should certify in writing the amounts of their loans and the items of their collaterals. It should be ascertained: What loans have been made, during the period, to directors (or trustees), to officers, or to employees. Whether there have been any advances made, directly or indirectly, upon the shares of stock of the bank examined. What notes have been and are past due. What single name obligations are held. Whether there is a book record of the individual liability of customers, showing that there are no excessive loans. Whether there are financial statements on file from doubtful customers. Whether the makers and endorsers of notes—if not in every instance, in cases of the larger amounts—having been communicated with in writing, admit the validity of their paper as held by the bank. Whether money reserves have been maintained. Whether, upon an appraisal of securities they are found to be carried at not more than their market value, or within the scale of amortization values. Whether there are proper margins for loans. Whether mortgages have been made within conservative portions of appraised values. Whether the appraisals are on file and all mortgages and deeds properly recorded. Whether the bank holds tax receipts, title insurance, fire insurance and ample bonds upon every officer and employee. Whether directors (or trustees) and members of committees are regular in their attendance at meetings, and what the provisions of the minutes have been, as well as whether they have been carried out. Whether salaries and other official appropriations are truly reflected by the expense accounts of the bank. Whether there are vouchers for all disbursements, properly approved and receipted. Whether the last closing of the profit and loss account of the bank has been upon a basis of uniformity with previous closings. Whether income has been received upon all loans and investments at the rates at which they have stood upon the books. Whether vaults, safes and cages are strong and secure. Whether there are resolutions providing for a fair arrangement with outside parties from whom help might be secured in the event of a run on the bank. Whether bookkeepers are regularly interchanged. Whether employees keep accounts with the bank, and if so of what character. What overdrafts and overcertifications have been

granted, and upon what security. Whether there is exactness in the small things which represent the best-known rules of bank practice, such as the prompt posting back of cancelled stock certificates, paid certificates of deposit and paid treasurer's or cashier's checks; the immediate endorsement of partial payments upon notes and loans; the computation of interest by one clerk and its proof by another; the absence of chemical and knife erasures in the books; proper requisitions for and control over supplies; official custody of numbered pass-books and loose-leaf sheets; the occasional checking of the card files of signatures against the depositors' names on the ledgers—at points if not in the case of every account—so as to test whether any fictitious balances might exist; the investigation of what written authority there is over the acts of those in the bank; i. e., whether its rules are in code form; whether the authorizations for debit and credit entries are supported by the signatures of officials, and whether departmental reports are received by such officials, not only as to matters of accounts and balances, but with reference to matters of organization and the ways and means of economical operation. In connection with all these matters of internal system, uniform bookkeeping methods, and the like, I should explain that having been privileged to read and to study carefully an advance copy of the report rendered earlier to-day by the Committee on Auditing of Savings Banks, I am able to commend in all respects the thoroughness and wisdom of the Committee's findings. Having known that this report was to be rendered, and in such complete form, it has, of course, enabled me to exclude many ideas upon banking office system which I would otherwise have discussed in connection with the subject of independent auditing.

Next, in examining and reporting upon soundness and safety in the bank, attention should be given to the investigation of individual accounts. I believe that in every bank, however large, at least once a year it is wise to prove the aggregate of customers' balances by a complete footing, and that at least some portion of the transactions leading up to the balances should also be audited against the records of original entry, thereby affording some measure of test of the accuracy of the individual ledgre work; that the examiners should, during their stay, receive, balance, and deliver to customers all pass-books left for this purpose; that commercial deposit accounts should be verified by actually calling in pass-books or writing for certificates to be signed by customers; that while engaged upon their examination they should have control of the bank's mail; and that after their departure, reconciliations of accounts or other communications pertaining to the examination should be received elsewhere than at the bank, say at a post office lock box.

I believe that now and again such an examination as has been described is needful, and that although comprising some details not ordinarily looked into, an occasional report ought to be made and filed covering every detail I have mentioned. It can be had, moreover, if directors (or trustees) will but co-operate with such outside accountants as may be needed. Nor is the cost of securing such outside help considerable, as compared with the value of the results to the institution examined.

Finally, let me offer as a feature not ordinarily examined into and reported upon, a suggestion for determining:

What Standards Are There of Individual Duty?

I recommend that annually the officers and employees of the bank be asked to answer, in writing, and for purposes of a report to the directors (or trustees), a series of questions such as these:

Has your work strictly to do with the handling of money or has it to do with the keeping of books? If with both, state the fullest particulars.

Is there a check upon your own work?

Is the work of any other person or persons, as supervised by you, regularly and properly performed?

Have there been (during the period of this examination) any differences or forced balances in your work or errors which have cost the institution money?

Do you know of any adjustments of the affairs of the bank made in anticipation of this examination, such as the taking up of questionable cash items, notes, loans, collaterals, or any forcing of balances, or other acts calculated to show a condition for the bank better at the time of its being examined than immediately preceding?

Do you know of any such adjustments at the time of the issuance by the bank of its last printed statement, or of any inflation from side to side, at that time, of any balances due from or due to other banks or customers?

Do you know of any names on the books representing parties with whom the bank appears to be dealing, but who are not the real parties to the dealings?

Do you know of any legal limitation upon the bank which is not being fully lived up to?

When and for what period did you last take a vacation?

Have you at any time received any gift, or valuable consideration, at the hands of a borrower or depositor of the institution?

Have you any outside income other than from invested capital?

Are you obligated, with or without security, to this institution, or to any other banking institution, private banker or stockbroker, directly or indirectly, in any amount or in any manner whatsoever?

I can imagine that some banks may be inclined to feel there would be a certain harshness in thus questioning their people; perhaps because the questions are in some respects the very ones asked by bonding companies. My answer is that if a bank will ask its officers and clerks fully and fairly to declare themselves in response to all of the queries I raise, there will be for that bank an added form of protection differing from but no less important than the protection afforded by fidelity bonds. I say this with confidence that the people in our banks, knowing that there would be no unreasonable publication of the results of such questioning, may be expected almost to a man willingly and truthfully to declare themselves. I am speaking from some years of study of the subject, first in the banking business, then as a professional accountant with experience in the examining of many banks, and speaking also at this time as a director in several financial institutions; and I say that I believe our American banking in-

terests, however sound as a whole, need and should invite this and any and every other form of searching investigation. They need and should invite thorough independent audits for the sake of giving the greatest assurance both to their stockholders and their depositors, and to the end of an upbuilding of public confidence everywhere.

I offer you, therefore, my program for a frequent verification of assets and liabilities, for an occasional proof of absolute soundness and safety, and for a test of the utmost that may be demanded of officers and employees in the performance of their duty as individuals, in a sincere hope that some of the Savings Banks here represented, if not other of our financial institutions, may find something in my views which will point them to surer methods and thereby more successful achievements. (Applause.)

THE PRESIDENT: Mr. W. M. Kern, secretary of the Dollar Savings Bank of New York, will now read a paper entitled "Deposits Received Evenings."

DEPOSITS RECEIVED EVENINGS.

W. M. KERN, SECRETARY DOLLAR SAVINGS BANK, NEW YORK.

Mr. President and Gentlemen: My remarks upon evening deposits will be based on the customs and experiences of savings banks in the city of New York, and the surrounding territory in the States of New York and New Jersey within commuting distance. Eighty-one savings banks are included, with deposits slightly exceeding one billion.

In the sections of Brooklyn, and the residential portions of Manhattan, the Bronx and Jersey City, the savings banks are open Monday afternoon or evening almost without exception. In Newark it is the exception to be open in the evening, and New Jersey savings banks on the whole only half favor the custom. The newer banks open also on Saturday as an advertisement. In two or three cases Monday is omitted, and Thursday or Saturday adopted in its stead. The majority of the banks close at three and reopen from five to seven, six to eight, or seven to nine, according to their locality. This is varied by others being open from four to seven, or from five to eight, or to remain open all day Monday until six, seven, eight or nine o'clock. It may be of interest to note that with one or two exceptions all of these banks close at twelve Saturday.

The banks located on the borders of the business sections use the earlier hours. The larger number adopt the hours from six to eight, and are located in the residential sections. The banks open from seven to nine are usually in the suburbs. The design in each case is to accommodate the depositors at the earliest convenient hour, and get through as quickly as possible.

The larger banks having under their care over one-third of the total deposits, and which do not open evenings, are not to be construed as unfavorable, but on the contrary may be considered glad it is the usual custom. Some realize that the size and arrangement of their banking rooms would not accommodate the large number of people that would call at the bank if they were open evenings, but the main reason is that they are located within the business portion of New York City, where but little evening business is called for, and a few banks are so large they purposely limit their deposits.

Considerable difference in the nature of the deposits can be noticed between a Monday or a Saturday evening. With a typical growing bank that is open both Saturday and Monday evenings, the business Saturday is easily twice as heavy as that of any day, but of little value to the bank except as an advertisement. Many people, especially women, purposely leave their banking duties until

Saturday night, who ought to come during the week. Young people are attracted in to open accounts whose income is insufficient to allow them to save, and their accounts are soon closed. There is a tendency for all accounts to degenerate from savings accounts to pocket book accounts, on account of the additional opportunities to withdraw. In theory Saturday night should be the best night for the savings banks to be open, that the wage-earner may be induced to adopt the rule of bringing a part of his earnings to the bank at once, confine his expenses to the remainder, and retain no pocket money to squander. In practice, however, he is apt to deposit several dollars more than he can spare, partly in hope that he may get along without it, and partly to protect him from his borrowing neighbors, and depend upon the convenient hours of the bank for himself or wife to call during the week and withdraw a part of it, if needed, which it almost always is. But this good practice of the depositor does not after all prevent him from a foolish expenditure, for he must retain some money on his person for household expenses, and if temptation comes, he spends it and calls on the bank for replenishment.

The Monday evening depositors appear in all ways to be as legitimate as those of the day time, but not nearly so numerous as those of Saturday night. Ninety-eight per cent. of Saturday night depositors will admit they could just as well come Monday night, and when the bank decides to close Saturday night, its Monday evening work will be as heavy as the Saturday evening work previously was, but the undesirable element does not appear, and gradually the women who came Saturday evenings will come during the daytime, and the evening work of the bank will then be about 50 per cent. more in deposits and depositors than the average day; its withdrawals 20 per cent. less, while its new accounts will be two or three times as much. These new accounts will not average nearly so much as those opened in the daytime, but one-half of them apparently are from depositors who cannot come to the bank at any other time, and three-fourths of the depositors at the receiving teller's window are similarly circumstanced. An older bank will have more deposits in the daytime from its old accounts, so that this ratio will not be so large, but will probably average the work of an ordinary day. These figures exclude transferred accounts. No loss of net deposits is observed when the Saturday evening is discontinued, if the Monday is retained.

To receive deposits only is the custom of one bank, but I judge that it can be demonstrated that a depositor will not deposit steadily where he cannot withdraw readily, and in the long run the bank that pays freely will have the largest net deposits.

Observations made in the residential sections convince me that of those who go to business about 25 per cent. go "down town," (about one-third of them being young women), and nearly 25 per cent. of those working nearby cannot attend to banking dut[illegible] during the day, making it that 40 per cent. to 50 per cent. of such population require evening facilities, except as they are accommodated by the proximity of some banks to their place of business.

It is of interest to inquire, will the evening hours increase, and also should they? They may be demanded, but I believe should be opposed. The reasons for and against are long-winded, and I can only give a synopsis. The increase of population, of commuting and trolley riding, and the use of electric lights, induce

longer days, and demand more evening work. Evening hours are especially productive of new accounts. Concern is felt for the Italians and other emigrants who are attracted by the so-called private bankers of their own people, and who operate very largely in the evenings. The better education of the people, and the facilities for investment, combined with the competition of business banks and trust companies allowing interest in their savings departments, and upon their daily balances, are attracting the larger deposits, leaving for the savings bank to grow on the class of depositors who require evening accommodations.

In opposition, we believe the beneficial work of the bank should be to protect and advance the good health of the community as well as to care for their earnings. Depositors must be kept healthy to earn and save, and health is preferable to a bank account. The total of busy hours now customary with the public seems to have reached the limit that can be healthily sustained if not already exceeded, and the bank should use its large influence to discourage the tendency to excess. Within the bank additional evening work adds expense, causes losses by tired tellers, and leads to over depositing and frequent withdrawing.

If asked a word of advice—a small town may have but little need of evening or afternoon hours, depending upon the nature of its business. It is preferable to open continuously on Monday to half-past eight or nine o'clock, provided the bank can arrange to have its tellers relieved during the evening meal. Adopt the word "eve" in connection with the date stamped in the passbook.

In concluding, I believe the pressure of evening work should further be relieved by branch banks and better mail facilities, but as the laws are at present, it is a pleasure to realize that the customs of the banks of New York and vicinity can be recommended. (Applause.)

THE PRESIDENT: Gentlemen, the next in order is the reading of a paper by Mr. Thomas B. Paton, the general counsel for the Savings Bank Section, on a "Review of 1907 Legislation Affecting Savings Banks," taking in all the legislation during the past year. As this will be printed in our report, I take it we will be privileged to pass over it at this time, Mr. Paton not being present.

REVIEW OF 1907 LEGISLATION AFFECTING SAVINGS BANKS.

BY THOMAS B. PATON, OF THE NEW YORK BAR, COUNSEL SAVINGS BANK SECTION.

THE limits of a 1,200-word address do not permit of anything more than a mere outline of certain legislation which has been enacted in some of the States this year affecting savings banks.

SAVINGS DEPARTMENTS.

In Connecticut and Massachusetts laws have been passed in regulation of the operation of savings departments by banks other than savings banks and providing for the investment of savings deposits by such banks. The Legislature of Connecticut has passed a law providing that "all banks, trust companies, corporations, partnerships, or individuals maintaining a savings department or soliciting or receiving deposits as savings, shall invest all such deposits hereafter received according to the requirements of statute laws of this State concerning the investment of deposits in savings banks," and requiring that all savings deposits not now so invested, when reinvested, shall be so invested, and must be so invested before January 1, 1917. Such savings deposits are excluded from the requirements as to reserve in the case of State banks and trust companies.

In Massachusetts the law, which will take effect on January 1st next, applies only to foreign banking associations or corporations which on June 10th, 1906, were transacting business in the Commonwealth, and expressly excludes national banks from its operation. It requires all such foreign banks which receive "any deposits or transact any business in the manner of a savings bank, or in such a manner as might lead the public to believe that its business is that of a savings bank," to have a savings department in which all business transacted in such manner in the Commonwealth shall be done. Savings deposits must be placed in the savings department, and all loans or investments of such deposits must be made in accordance with the statutes governing the investment of deposits in savings banks. Such deposits and investments must be kept separate and not mingled with the other assets of the bank, and they are not liable for

the debts or obligations of the bank. The accounts and transactions of the savings department must be kept distinct. Profits, after payment of interest or dividends to savings depositors, accrue to the bank and may be transferred to its general fund. Such foreign banks are limited to two offices or places of business in the Commonwealth.

It is to be noted that while Massachusetts has excluded savings deposits of national banks from this regulating legislation, presumably in the belief that it was beyond the power of the Legislature to regulate such departments, the Attorney-General of New Jersey has recently rendered an opinion that, in the absence of an express right to use the word "savings" in connection with their business conveyed by act of Congress, there is nothing in the Federal legislation which in any way prevents the State from limiting the right to use that phrase to such institutions as shall comply with the strict rules governing savings banks.

COMBINED COMMERCIAL AND SAVINGS BANK.

The States of Oregon and Washington have both enacted general banking laws during the present year, and among their provisions is authority to incorporate banks having both commercial and savings departments. The Oregon law provides that "banking corporations may be formed under the general incorporation laws of this State for the purpose of conducting and carrying on a banking business and to establish banks having departments for both classes of business, upon the terms and conditions and subject to the liabilities prescribed in this act." The capital, assets, funds, properties, and investments of a banking or savings department must be kept separate and distinct from all other assets, funds, properties, and investments of the corporation.

The general banking law of Washington authorizes incorporation of banks for the purpose of carrying on a general banking business and also to establish banks to be known as savings banks, or to establish banks having departments for both classes of business, upon the terms and conditions and subject to the liabilities prescribed by the act. Banks combining the business of a commercial and savings bank must keep separate books of account with depositors for each kind of business. The act provides for the making of regulations governing the savings bank business and the issue of pass books containing the rules and regulations. It requires the production of the pass book on withdrawal, with stated exceptions, and allows savings banks to issue time certificates of deposit and certificates specifically issued subject to the rules and regulations governing savings banks. The use of the term "savings" by all unauthorized persons or corporations is prohibited.

SUPERVISION AND REGULATION.

The new general law of Colorado for the supervision and regulation of State banking includes savings banks within its provisions. Section 36 provides that the term "bank" or "banks" wherever used in this act shall be construed to mean and the provisions of this act shall apply to every person, co-partnership, savings bank, trust company, or corporation (except national banks) engaged or

engaging in a banking business in this State. The law provides for the appointment of a bank commissioner, examinations and reports, and various other provisions regulating the business.

In Iowa a law has been passed applying to both State and savings banks, defining the purposes for which such banks may contract indebtedness; also a law relating to the pay of, and loans to, officers of State and savings banks.

In Minnesota a law has been passed defining the term "savings bank" as a corporation managed by disinterested trustees solely authorized to receive and safely invest the savings of small depositors. The right to use the term "savings bank" as a business name is limited. Savings banks are placed under the supervision and subject to the control of the bank examiner. Minnesota has also enacted important amendments to the savings bank law with respect to meetings of the boards of trustees and the relation of trustees to the bank; concerning the establishment and printing in pass books of regulations for the conduct of the business; concerning investments, the repayment of deposits and dividends, and the creation of a surplus fund, and the examination of savings banks at the instance of trustees.

In Missouri, Article XIII. of Chapter 12 of the Revised Statutes, relating to savings and safe deposit institutions, was repealed and a new article enacted in lieu thereof. A State Banking Department was also created, provision made for the appointment of a State Bank Commissioner, and savings banks, as well as other institutions, are placed under the control of the State Banking Department.

In Montana a law was passed placing savings banks, as well as other institutions, under the control of the State Bank Examiner, with uniform liability of stockholders and other regulations applicable to savings banks. The use of the words "savings bank" in the title of any business not incorporated under the savings bank chapters of the law is prohibited.

New Jersey has passed a law which prohibits any foreign bank from doing business in the State except to the extent that similar corporations of New Jersey are permitted to transact business in the State or country of the foreign bank. It includes savings banks in its terms.

The new reserve law of Pennsylvania provides for the creation and maintenance of a reserve in all banks, "savings banks, savings institutions," trust companies, etc.

California has passed a law giving the surviving husband or wife of a deceased person, or the children of a decedent where there is no surviving husband or wife, the right to collect of any bank, without procuring letters of administration, a deposit of the decedent not exceeding $500.

New Hampshire has passed laws (1) prohibiting all banks or persons, except savings banks or other institutions empowered thereto by State charters, from using signs or advertising literature indicating that the place, office, or business is that of a savings bank, and from doing business in the same manner that savings banks do, or in a manner which might lead the public to believe that the business is that of a savings bank, giving the bank commissioners author-

ity to examine institutions for violations and prescribing penalties; (2) providing that no charter limitation of the amount of deposits in any savings bank or trust company shall apply to the trust funds, deposits for the creation of sinking funds, or deposits of the State, counties, towns, municipal corporations, precincts, or villages. Also amending the laws (3) as to the taxation of savings banks and (4) relating to the investments of savings banks.

LIFE INSURANCE BY SAVINGS BANKS.

A law has been passed in Massachusetts authorizing the transaction of the business of life insurance by savings banks.

PAYMENT OF JOINT DEPOSITS.

Laws authorizing the payment of deposits standing in the names of two persons to either, whether the other be living or not, have been enacted in California, Maine, Minnesota, New York, Oregon, and Washington. The phraseology of these laws is somewhat different, but such is their legal effect. The Oregon law is inapplicable to any excess of a deposit over $300. The New York law goes beyond a mere authority to pay, and creates a title in joint tenancy in the two parties at the time of deposit. The New York law applies only to deposits in savings banks. The laws of the other States are applicable as well to banks other than savings.

New Hampshire has passed laws (1) prohibiting all banks or persons, except savings banks or other institutions empowered thereto by State charters, from using signs or advertising literature indicating that the place, office, or business is that of a savings bank and from doing business in the same manner that savings banks do, or in a manner which might lead the public to believe that the business is that of a savings bank, giving the bank commissioners authority to examine institutions for violations and prescribing penalties; (2) providing that no charter limitation of the amount of deposits in any savings bank or trust company shall apply to the trust funds, deposits for the creation of sinking funds or deposits of the State, counties, towns, municipal corporations, precincts or villages. Also amending the laws (3) as to the taxation of savings banks, and (4) relating to the investments of savings banks.

THE PRESIDENT: We have reached a time now when we ordinarily adjourn for luncheon, but I think we have at least an hour before that time arrives, so I think it would be well to take up the subject of the discussion of these papers *seriatim*, as I spoke of. That would bring up first for discussion the paper on "Joint and Trust Accounts." Mr. Burgwin, the Chairman of the Committee, is here, and he probably can start the discussion, and we can then take it up.

MR. BURGWIN, of Pittsburgh: Mr. President, I do not think the committee has anything to add to the report which it has made. They have gone very carefully into the subject; they have corresponded with all the Vice-Presidents, not all of whom, however, seemed to be interested in the matter, for we did not receive responses from ten of them; but we have gone into the subject very carefully, and we have given to the Convention the result of our examination of this subject, taking in consideration the letters which we received from all over the United States and from the legal advisors of quite a large number of the savings banks.

The report has been printed and distributed, and I understand from the President that it is not practical to read it, but if there is any information which I can give regarding it, I shall be very glad to do so.

MR. KAUFFMAN, of Tacoma: I would like to ask a question. In our State, the State of Washington, acting as a member of the Standing Law Committee of the National Association, I had the privilege at the last session of our Legislature of trying to get through a bill such as you have framed, at least in the verbiage as suggested by the Standing Law Committee, of which Mr. Paton is Secretary. Our Legislature or House of Representatives passed the act practically in the language as you have it. When it came into the Senate, however, we found we had a number of attorneys who imagined that the result would be to take from them the handling of a number of joint accounts, and they qualified the section so as to limit it to $300.

Take it in my own institution, for instance. There are many instances in which small amounts, savings of years, are standing in the name of some depositor; in the event of his death, in order to protect the bank, probate proceedings should be instituted, which frequently would almost absorb the entire fund. We, therefore, found ourselves obliged to assume this obligation rather than necessitate the widow

waiting for that $75 or $100 balance which was absolutely necessary for the last illness or some important charge upon the estate, we paying the money over and assuming the risk ourselves. We felt, however, that that was not exactly fair, and we tried to get laws enacted as you have suggested.

Referring to your report, Section 2: "Your committee are also aware of the well-settled principle of law that one person cannot ordinarily grant to another a naked power to collect the money of the grantor after the death of the grantor; nor can he, under the guise of a joint account, make a will which will remove his estate from the jurisdiction of the Probate Court; and if a bank knowingly assists a depositor in any of these improper undertakings it will be liable."

The question I am going to ask is, How are we going to make that possible? How are the savings banks going to pay such joint accounts under the form as you have framed here, without assuming liability, and avoiding claim being made against us by the creditors?

MR. BURGWIN, of Pittsburgh: If two persons come to a bank and sign this agreement which is submitted in the report of the committee, the bank has no information of violation of law. Because they come there with the money and state what they want done, we do it. A man has a right to do with his own what he chooses. Unless a bank requests information from them or from other persons, it is impossible for the bank to know that they are trying to violate the law.

MR. KAUFFMAN, of Tacoma: Take the case of a husband and wife, which are most of the joint accounts with us. With the amount limited to $300 it removes the risk, but if the amounts were larger, running into the thousands, and we at once pay over to the wife $3,000, $4,000, or $5,000, the balance, and then afterwards we learn of claims against the estate, are we not running some risk in paying over that money without having any probate proceedings whatever? Knowing that the chances are that men in most any business will have some unsettled claims against them, does it not form a loophole where debtors might get out of ever meeting their obligations, or the estate being forced to pay them?

COL. SPRAGUE, of New York: I merely rise to explain regarding the laws of the State of New York. Your committee states that the New Jersey statute contains all that is necessary and is preferable

to that of the State of New York. I was a committee of our State Savings Bank Association; I was a committee of one appointed to settle this question, and although many of the members of this New York Association are not willing to join the American Bankers' Association, they are perfectly willing to have communicated to them all wisdom gathered here, and I do so with great pleasure.

My report was rather more in the line of the committee of this Section than was that which finally became law in our State. I recommended that we do not go to the Legislature; it is a wearisome journey to Albany, and I presume it is a wearisome journey to the dome at Boston. And I found also in my investigation that the Court of Appeals, the highest court of the State, would take a by-law framed by the savings bank itself and read it sensibly as any ordinary business man would read it; whereas, with a statute, they would scrutinize it and they would dissect it, and they would finally succeed in making a new decision in almost every case; so my report was that we should leave the Legislature alone, and that we should now adopt a by-law providing that when two co-depositors deposit money in a bank the bank should be safe in paying to either, whether the other be living or not, and that, I still believe, would be a satisfactory solution in many States.

MR. MUNSON, of Williamsport: Perhaps I can solve the difficulty raised by the gentleman from Washington, Mr. Kauffman, of Tacoma, in regard to the question of law which might be involved in the subject of a joint account.

If the joint account takes the nature of a power of attorney, irrevocably drawn, then it is true that death would terminate and take away that power. But in the form recommended by the committee it is not a power of attorney, it is a gift during life by one party to another of his interest in the entire property; so that when two persons deposit money in a joint account with the agreement that either may draw, it is a gift of one to the other of his entire interest in that account, which death does not affect, because it is a gift during life. If it is a fraud upon a creditor by a person thus putting away his property, that question may properly be raised against the other party as trustee, but the bank is protected by payment, in the absence of notice.

In other words, if this form which the committee have recommend-

ed is used, it seems to me that the banks are safeguarded beyond question. I would, however, suggest a slight change of two words; that is, in case it should be construed to be a power of attorney; in the second section let it read "All moneys now or hereafter deposited in said account, and interest and dividends thereon, are hereby irrevocably declared to be our joint property."

In point of fact it seems to me that this contract could not be construed to be a power of attorney, for, as I said before, it is a gift during life.

MR. JOHNSTON, of Schenectady: The answer to the question of the gentleman from Washington is given in this way, as I understand it, that the joint account, where both enter into the agreement, constitutes a gift from one party to another. It is not quite clear to me what determines the final gift. Where two parties join in the same gift, how are we to determine what is the final gift?

MR. BURGWIN, of Pittsburgh: I may answer the question in this way: what we are trying to get now is to provide safety to the bank in paying money, not to determine who is to be the later possessor of the money turned over, and I think if we draw up a form to protect the bank, we have gone as far as we need.

MR. MITCHELL, of Richmond: I have watched with a great deal of interest this joint account matter, and I listened with no little degree of satisfaction to the report of the committee. I think this is a most excellent report, but the wisest part of the whole report runs thus: "We expressly recommend, however, that no bank act upon our opinion without first submitting the matter to its local legal adviser."

I mean by that, that the question has resolved itself in the State of Virginia down to this point: How can a savings bank be protected in the payment of money, when the laws of that State provide that it cannot be protected in such a payment of money?

It is a fact in Virginia, when you go out hunting rabbits, that if your dog starts a rabbit you may sit still with your gun, and no matter how long that dog and rabbit are gone, nor how far they go, you can rest assured that they will both come back to the place of starting.

I mean to say that no matter how long you agitate the question of joint accounts, as to how you can do this thing, you will always come back to the point that you can't do it in Virginia.

In Virginia you cannot give away money prior to death, and the savings bank be protected upon such a gift after death; the courts step in and take charge. A joint account is a joint account, in which both parties have an interest; if both parties have an interest, you cannot, upon the death of one party, pay out the remaining party's interest until a court of law has definitely decided that the savings bank can pay it out. It requires just twelve months in our State to wind up affairs of that nature.

Suppose I give my check to-day to Tom Jones, a check for $150, and Tom Jones goes to sleep and holds my check, and I cease to breathe at twelve o'clock that night. Tom Jones can't get that $150 until the administrator or executor of my estate is duly authorized by the Court to direct that that money be paid to Tom Jones.

How can we in the State of Virginia establish joint accounts with such a ruling of the courts?

THE PRESIDENT: The time allotted to the discussion of this particular topic is long past, but previous to taking up any other subject for discussion, Mr. Teter has something to say in relation to a resolution of the Executive Committee which may interest you.

MR. TETER, of Chicago: Mr. President and Gentlemen: You will remember that the A. B. A., at its Convention in St. Louis, decided that our Section, as well as the Trust Company and Clearing House Sections, should be represented on the Executive Council. Later a committee of the Association was appointed to draft certain amendments to the constitution of the Association, which committee made a report at the Hot Springs meeting of the Executive Council this spring; that committee's report was adopted, and you will find in the program of the regular Convention a copy of the report. With the assistance of those of us who are most interested in the Section, the committee provided that hereafter the representatives of your Section, as well as of the other Sections, in the Executive Council, should be the three chief officers of the Section; that is, the President, the First Vice-President, and the Chairman of the Executive Committee, the theory being that after the amendment is in operation each year your new Executive Committee Chairman would become a representative on the Executive Council. That was so provided in the amendment which was adopted by the Executive Council; and now comes ex-President Hamilton of the Association, and I yield to no one in my

admiration of Mr. Hamilton, with another amendment to the constitution, which makes some change in the amendment of the Executive Council, and among other things leaves to the members of the Nominating Committee of the Association the selection of the Section representatives. In other words, while the Executive Council may provide that your Chairman of the Executive Committee, your President, and First Vice-President will represent them, the Hamilton resolution provides simply this: that in addition there shall be elected three members of the Executive Council, divided into three classes representing the Section, three for the Savings Banks, and the same representation to be given the Clearing House, the Trust Company Section, and such other sections as may hereafter be created.

Now, the point I want to call your attention to is this: We don't want this second amendment, this Hamilton amendment, adopted. It may be a very good feature, but it is not what the Section wants, because it clearly leaves the selection of your representatives in the hands of a Nominating Committee, which has absolutely nothing to do with your work. If you are entitled to representation at all, you are entitled to elect your representatives. If you are wise in selecting your officers you could have no better representation in the Executive Council of the A. B. A. than those same officers, because they are actively interested in your work and will go into the meetings representing you.

So I will ask you to carefully consider this matter; read this resolution over, and when this matter comes on for vote, act as your judgment will dictate.

THE PRESIDENT: I wish to say a few words, gentlemen, if you will pardon me for speaking at this time, in relation to what Mr. Teter has just stated.

I think the representation of this Section should be as it is at present, viz., by the President, First Vice-President, and Chairman of the Executive Committee, and I hope that the members of this Section will help carry that resolution if it is possible to do so. I think that if you will depend upon your President, First Vice-President, and the Chairman of the Executive Committee, you cannot be in better or safer hands.

MR. KAUFFMAN, of Tacoma: Does not the amendment that was proposed by the committee, of which Col. Sullivan is the Chairman, practically cover that?

MR. TETER, of Chicago: That is the Sullivan amendment, that our representatives be the Chairman of the Executive Committee, the President, and the First Vice-President.

THE PRESIDENT: We have just about twenty minutes before we adjourn for lunch, and that time will be occupied in the discussion of the report of the Committee on Auditing of Savings Banks. Mr. Robinson, the Chairman, is here, and he will start the discussion.

MR. ROBINSON, of Baltimore: We have but little to say in addition to the report which we have submitted and which is now before you in printed form. I quote the words of the report:

"We have discussed the whole matter only with regard to first principles of convenience and safety, and it must, therefore, be understood that our recommendations are made in a general way only and may not be applicable to every bank."

We cannot help feeling that our work will be of considerable use to the smaller banks and to those just entering the savings bank field; such banks can easily adjust their methods of bookkeeping to our recommendations if desired; we venture to hope that the larger banks may also find something helpful in our suggestions. We feel timid about making any recommendations; some we know will evoke discussion and some of our conclusions may be at variance with the views of those present, such, for instance, as this:

"For auditing purposes the income of the bank may be calculated ahead, that is to say, for a period to elapse before the next dividend is declared."

We believe that this method is well worth a trial in our larger banks where investments vary little from year to year, but will prove troublesome and perhaps impracticable in those banks doing partially a commercial business.

And again, while the banks of the East are largely committed to the principle of scientific amortization, many conservative institutions still continue to charge off the whole premium at the time of purchase. This latter practice is followed by the institution which I represent and has created a rather comfortable feeling during these times when values have been crumbling so steadily. I am sure we all agree that some system of amortization should be pursued.

We submit our report with diffidence, hoping, however, that it may be of some little use to the members of our Section.

MR. KAUFFMAN, of Tacoma: This committee has given a report which those who have read it cannot fail to see has been most carefully drawn, and we have also had the pleasure of listening to a most interesting paper on the "Independent Audit of a Savings Bank." The committee, I notice, at the close of its report, suggests that this being a matter of such interest and importance to savings banks throughout the United States, another committee be appointed at this Convention to continue this interesting work and report at the next meeting. I think that that suggestion can be very properly followed, and I move that this same committee be continued for another year to continue their investigation and carry on their work and report at the next meeting.

The motion was seconded and carried.

The President thereupon adjourned the meeting for luncheon, to reconvene at 2 P. M.

AFTERNOON SESSION.

The Convention reconvened at two o'clock for the afternoon session.

THE PRESIDENT: We will open with a discussion of the paper by Mr. Aiken, on "Savings Bank Life Insurance." Is there any one who wishes to discuss that subject?

MR. MUNSON, of Williamsport: I want to voice my personal protest against all that kind of legislation which shows itself in such forms as postal savings banks and savings bank insurance. I think it is a form of paternalism against which every citizen and every banker should set his face. I believe that when the Government steps in and says that it shall have control of such matters as these, it is time for the good citizen to oppose, and if there is any institution which should set its face against such a form of government, it is the savings bank.

There is no Association in these United States which, to my mind, is, or should be, so influential in the State Legislatures and among the people at large as is the A. B. A., and this Section comes nearer to the common people than any other, and speaking here for those

whose business is so closely connected with the wage earner and the common people, I affirm that we should set our face against all that form of legislation.

The moment that our banks are allowed to step outside of their legitimate business and go into other lines, that moment we begin to lose our conservatism, and that belief in our stability which, after all, is the strength of the savings bank. Therefore the moment that we fail to oppose, or the moment that we refuse to set our face against, legislation which tends toward paternalism, that moment we trespass upon the rights of our depositors by lowering their confidence in our safety. I think this Association by resolution should oppose any form of legislation which goes toward governmental control of the deposits of our people; I do not mean supervision, that is entirely proper, but I do mean that which goes toward the encroachment upon private rights for public purposes, and that, I think, is what this kind of legislation means, both the postal savings banks and the savings bank insurance.

MR. SCHUETTE, of Wisconsin: Gentlemen, I have heard many speeches to-day, excellent of their kind, opposing postal savings. I cannot ignore the fact that the sentiments of the people of the United States are growing more and more in favor of it, and I think the establishment of the Government savings bank will follow if we have another bank failure. I am an old man, but I think I will see the time when these banks will be established by the Government unless the savings banks of the United States secure their deposits, and this can be very easily done.

MR. KAUFFMAN, of Tacoma: I most heartily agree with the sentiments of Mr. Munson, and am thoroughly convinced that any postal bank system, which might be inaugurated by the United States savors so strongly of paternalism that it should receive our hearty condemnation, and the condemnation of every banker and every true citizen of the country. But I recognize the force of the remarks of the gentleman who has just taken his seat, that there is unquestionably in a very large section of this country a decided feeling toward the establishment of postal savings banks, and it seems to me that the Savings Bank Section of the A. B. A. can do much toward forestalling ultimately and forever any such attempt on the part of the Government, if we take the proper action.

However, I do not think that it would be acting wisely if we simply, with the limited members here in this room, pass a resolution in condemnation of the postal savings bank system. I do not believe that the passage of a resolution of that kind by the comparatively small number here represented would carry any weight. What I think should be done is to have a committee appointed, as was suggested by the resolution which closed the address that we listened to this morning, and it seems to me—and I am confident that if Mr. Harwood's rsolution was offered here to-day there would not be a dissenting vote; but it seems to me that if we had a little more investigation given to it and the matter came back to us in a further report and then have the resolution adopted, it would have considerably more weight than simply by passing the resolution to-day.

Now, the resolution of Mr. Harwood's is as follows: "That the President of the Savings Bank Section, A. B. A., be requested to appoint, within thirty days from this date, a committee of five members of this Association, who shall investigate the question of postal savings banks in limited territory, the desirability and scope of the Governmental Savings Bank Commission, and recommend to this body such action as it deemed proper to promote the usefulness and safety of savings institutions."

The resolution seems a little involved, or rather the latter part of it does not coincide fully with the idea or purport of the resolution. However, I do not think it makes any real difference, and it can be adopted in its entirety.

In the city of Tacoma within the last six weeks, and I just quote this to cite the fact that postal savings banks or the United States Postal Office is recognized by a great many people of the country, $10,000 was drawn from one of the banks of Tacoma within the last six weeks, and the man who drew it, failing to have confidence in any of the institutions in Tacoma,, bought United States Post Office orders, paying 30 cents on the hundred dollars for them, and kept them. That is an actual fact. During the panic of 1903, and the years immediately succeeding thereto, there was more money placed in the United States Postal Department by the purchase of money orders for the purpose of safety than for the purpose of transferring money from one person to another.

I believe that if this question is properly presented to the American

people through the medium of this Section, we can practically forestall any effort on the part of the Government to establish these banks.

I move, Mr. President, that the resolution of Mr. Harwood, which closed his paper this morning, be adopted, and that pursuant thereto, within the time named, the President appoint a committee to report to this Section at a subsequent meeting, as covered by this resolution.

The motion was seconded.

MR. TETER, of Chicago: I certainly do not wish to oppose the resolution, the thought of the resolution, but it occurs to me that we might do something which would have a more immediate effect. The fact must always remain that any resolution which a body of savings bank men may make on this subject will have very little weight with the people at large, or among the legislators generally, because, whether we feel it ourselves or not, they naturally deduce that some selfish interest prompts our action. It occurs to me that what is needed in connection with this subject is general education, and if you can so frame the resolution that this committee should put together the salient features of Mr. Harwood's paper, and add such suggestions as it, in its wisdom, might deem advisable, and send it to the savings banks, so that the officers of the savings banks could discuss it and carry on a quiet campaign of education, we would arrive at a much more beneficial result.

MR. DINWIDDIE, of Iowa: I quite agree with Mr. Teter, but I think that we must be the power behind the throne. I think this committee should make plain to the people of these United States that this whole move is unwise.

I believe that this committee should be appointed, but that, in addition, we should pass some resolution asking the people to look well into the matter before permitting the adoption of a law which would create postal savings banks. It is aimed at a well-established business; it is something which will demoralize that business to a very large extent and make it uncertain for many years to come, and it will not be satisfactory to the common people, and in the meantime we would have to stem the tide and stand the strain which will come from the adoption of such a law; therefore, I think that the action of this Section should be well disseminated throughout the banks of the United States, and they should at once begin the education of the public mind that will so reflect on the minds of the men who make

the laws, that they will protect the interests of the American people.

I am interested in the defeat of anything of the kind; it is un-American and a menace to well-established Americanized business institutions.

MR. JOHNSTON, of Schenectady: There is much truth in what both the speakers have said. There is no doubt but that a resolution from the Savings Bank Section will strike some people as being a matter very material to the Savings Bank Section, but it must be remembered that there is no body of men who have a better right to speak regarding the subject than trustees of savings banks, who serve without pay, and I think that a resolution coming from this Association will have, in the minds of most people, a good effect, notwithstanding the fact that some will treat it as having a selfish interest.

Let the committee go on, as Mr. Teter suggested, and educate the people; let them go on and show the people that there have been defalcations through Government officials as well as through savings bank officials. Our Government at Washington is what we make it. Is not our Executive Committee now working to bring into effect better laws in the various States for the establishment of savings banks? Therefore, we have a right to be indignant at the idea of making our Government assume control of the people's deposits throughout the country, and building up a large official institution which shall assume control of the finances of the country.

I just had the pleasure on my way here of stopping off at the great city of Philadelphia for the first time, and wished to see the Liberty Bell. I did not have time to see it, but I can almost hear its ring of warning when we talk of making postal savings banks and great national savings banks.

MR. AIKEN, of Worcester: Last year I had some experience in practical legislation, and I found that the passing of resolutions and that sort of thing is very well, but when it comes to getting things done, it does not avail much. Some of us doubtless know men on the committee in Congress which would have in charge the legislation in which the Association would be interested. If the members of the Savings Bank Section who are personally known to the members of the committee will go there and impress upon them the undesirability of the postal savings banks, the bill will never get beyond the committee.

There is one thing which I think can be impressed upon the members of the committee and members of Congress in opposition to the popular opinion favorable to the postal savings bank. My investigation of the savings bank life insurance in England brought out some interesting facts upon this subject. The postal savings department there has been going something like fifty years. The total liabilities of the Postal Savings Department of the British Government are in the neighborhood of £160,000,000, very little more than the savings banks of the Commonwealth of Massachusetts, and with a population fifteen times the population of Massachusetts, and England is the richest country in the world.

MR. JOHNSON, of Detroit: I would compromise all the ideas of these gentlemen by this method. I do not entirely agree with all the last gentleman, Mr. Aiken, has said, and I have had considerable experience with legislation.

I think it would be best to follow the original idea of appointing a committee and allowing this committee, which will give the whole subject due consideration, to prepare an argument against it, reporting back to the Executive Committee at the next meeting, and we can then adopt a suitable resolution and make it a public matter, and it would be in plenty of time for action at the next session of Congress.

MR. SAUL, of Washington, D. C.: We have spoken of the loss in deposits and consequent injury to the savings banks, but we have not dwelt upon the injury to the community from which the deposits will be withdrawn if the Postal Savings Bank Bill should become a law. What will become of the industries and improvements which are now being assisted by the deposits that are in the savings banks if such deposits are put in the Treasury instead of being loaned out on bond and mortgage?

In regard to passing such a law, it seems to me that if the matter was taken up by the committee with representatives of Congress, and with members of any committee which may have charge of this bill, and if it were taken up by the officers in the community in which the representatives reside, taken up before they go to Washington, and have the matter thoroughly gone over by the bankers of that town or city with the representatives of Congress and let them understand the situation, there would be no difficulty in defeating the bill at Washington.

MR. PARKER, of Quincy: A good deal has been said by the different speakers, and enough to convince us that we should be very cautious in any opposition to a Postal Savings Bank System. In a larger sense I think we are all convinced partially—I am fully—that it would be difficult for the Savings Association to successfully go before Congress. Ex-President Herrick and some of his successors have told me that measures had only to be proposed by bankers and banking associations to have them *opposed* in Congress. Congress is sensitive of its own prerogatives, and its individual members are especially so in the matter of initiation and introduction of bills.

Since the failure of the Milwaukee Avenue Savings Bank of Chicago, of which Mr. Stensland was president, the matter of postal savings banks has received added encouragement. Many citizens have gone on record to the effect that they will propose the question of a Postal Savings Bank to Congress and carry it through. The savings bank is emphatically an American institution. The idea in New England, New York, and other parts of the East (not so much as in the West) is that the trusteeship of these funds is in the hands of men working without salary, but men who can be picked out from the community on account of their character, reliability, and ability to handle savings deposits. It does not seem right for the Government to take up the matter of conducting savings banks, any more than any other line of business. I am satisfied with the Government monopoly of the Post Office Department, but I would be dissatisfied strongly with the General Government undertaking a savings bank business.

The last gentleman who spoke brought out a very strong point. Our country is new and savings banks now promote the development of important enterprises.

To lock up large amounts of money deposited with a community in slow, long-time securities, thus taking that money out of the hands of its own citizens, does not seem a wise thing to do. I know something about it, because our own savings bank is one of the oldest in the West; our deposits are very large, and we have assisted materially in the development of our city and our section of country. This Association cannot directly oppose postal savings banks; we don't as a body want to put ourselves in that attitude. But individuals can (as I have done) use their influence with their member of Congress. We must be cautious in this matter. If we oppose such measures the

question of self-interest comes up at once in the public mind; but I think we as individuals can oppose the measure in a very quiet, reasonable way.

THE PRESIDENT: You have all heard the resolution; all in favor of this resolution please signify by saying aye; contrary minded, no. It is carried.

MR. TETER, of Chicago: I should like to offer this resolution: That the Postal Savings Bank Committee, which has been provided for by the resolution just passed, consist of three members, and have as its additional duty the assembling of educational literature on the subject and the circulating of the same among savings banks generally, said literature to receive the approval of the Executive Committee of this Section before being distributed.

In explanation of this resolution, I wish to say that it does not affect the former resolution in any way, but I feel that we should go on and get this educational literature in the hands of the banks without holding it over for another year.

MR. CREER, of Cleveland: In seconding the motion of Mr. Teter I want to add a word, and I want to emphasize what our friend from Washington has said.

I think that there is no doubt that any printed matter that has the approval of the Executive Committee of this Section would be received with keen interest and read with great benefit to the community, and if this is furnished to the various savings banks throughout the country, they can see that this matter is printed in the papers in general circulation in their several communities. For obvious reasons, it is not necessary that it shall appear as coming from this Section. If it is good copy, any one in Schenectady, in Rochester, in Washington, in Illinois, and elsewhere, having sufficient business connection with the local newspapers, can see that it is given to them, and if it is good snappy copy upon a pertinent question the local papers will be only too glad to publish it and it will have a good effect.

On motion duly made and seconded the resolution as offered was adopted.

THE PRESIDENT: The next thing in order is the discussion of Mr. Creer's paper on "Uniform Laws for Savings Banks," and Mr. Hanhart has a few words to say to us.

SAVINGS DEPARTMENTS IN NATIONAL BANKS.

WILLIAM HANHART, NEW YORK.

WITH your kind permission, I desire to say a few words on the subject of the present discussion, viz., the question of "Uniform Laws for Savings Banks in the Various States." Our friend, Mr. Creer, has treated it in a masterly way, and I fully agree with him in his views as to the desirability of uniform legislation for savings banks, but at the same time cannot shut my eyes to the fact that the greatly different conditions in the various States would not at present permit such uniform legislation, nor do I think it will become possible for years to come. There is one point, however, that I have been thinking of lately and which I would like to submit to you.

In many of our States, savings deposits are protected by statute laws confining the investments of these funds to certain kinds of high-class securities; this is as it should be, as additional safeguards are due to such trust moneys, placing them beyond the ordinary commercial risks and making them quite safe, thus securing the confidence of the ten million wage earners who confide their savings to the care of savings banks, as well as to the many State banks and trust companies who operate savings departments. In addition to the laws governing the regular savings banks, some States have enacted laws regulating the savings departments of other banks, and Connecticut and Massachusetts have this year adopted new laws compelling deposits made in savings departments to be invested according to the statute laws relating to savings banks. I hope that all the States will gradually enact laws segregating such deposits and safeguarding their investment.

But to-day I desire only to draw your attention to one particular form of savings departments. You are all aware that a considerable number of national banks conduct savings departments in addition to their regular commercial business. I have no means of ascertaining how many banks have such departments, but I may mention that in our own membership we have 156 national banks who conduct large and flourishing savings departments of their own. The legality of these departments has at times been questioned, but I understand that Comptroller Ridgely has decided that there is nothing in the Revised Statutes forbidding a national bank from operating a savings department. There is, however, some conflicting opinion as to this, and an opinion lately rendered by the Attorney-General of the State of New Jersey states that so long as Congress has not expressly legislated thereupon, it is within the power of the State to regulate the savings bank business in the State when conducted by a national bank as a branch of its business. Now it is not my desire to propose to make any radical change in the law; I am not discussing or questioning the right and power of national banks to open these departments, nor whether it is best for them and for the public to handle these savings. I am simply dealing with the fact that many national banks have savings departments, conducted with the Comptroller's

permission, and many more are preparing to open such. I propose that these savings be safeguarded and protected by national legislation which would at the same time prove advantageous to the banks, and would suggest to you the desirability of a Federal statute regulating the business under the following conditions:

It is not possible, nor would it be desirable or fair, that savings depositors should be preferred creditors, but in permitting national banks to open savings departments the deposits received in this department should be segregated and invested in the usual Eastern savings bank proportion, that is, say, 60 per cent. in loans on bond and mortgage on a 50 per cent. valuation, and the remaining 40 per cent. in United States, State, municipal, and first mortgage railroad bonds. This would give a great security and stability to that branch of the business, and at the same time, and to a certain extent, accomplish an object which has been the subject of much discussion within the last few years, that is, the investment of deposits in national banks in loans on real estate. Such legislation as I propose, whilst permitting national banks to invest in realty loans, would perforce limit the amount of such investments to 60 per cent. of their savings deposits, and no one, I think, would seriously object to this.

The cash reserves, I think, should be kept on the same percentage basis as their other deposits, although this is a matter that could be further discussed; a smaller reserve may be found to be quite sufficient. You are aware that in our large Eastern savings banks a 5 per cent. cash reserve is considered a conservative one, and rightly so, for savings bank deposits, although usually paid on demand, yet are subject at any time, or may be made absolutely subject, to a notice varying from ten to ninety days. I might here mention that the new Connecticut law regulating savings departments exempts such deposits from the cash reserve provision which applies to their commercial deposits.

Another advantage of the proposed law would be that it would tend to settle to some extent the question of postal savings banks, which has been so ably discussed this day by Mr. Harwood, because it would provide a safe depository for savings in many small places having a national bank, but where the conditions do not warrant the establishing of a bank doing only a savings business. I think our savings banks are nearly all opposed to Postal Savings Banks, and I will not now refer to the many reasons for this opposition, but to my mind the one paramount objection to Government Postal Savings Banks is that our Government should not go into the banking business, although it has already established itself in it to some extent through the money order system. The Constitution gives it no such power, nor do I believe was ever such intended. Let the Government attend to its political, judicial, and legislative functions, as clearly defined in the Constitution, and I am sure that our enterprising citizens will attend to all other business, including banking. Proper supervision of banks, railroads, insurance companies, and all corporations is correct and justifiable, but Government ownership of such, no matter by whom advocated, should be resisted vigorously by all patriotic citizens who have the true welfare of this great Republic at heart.

As my time has expired, I will keep you no longer, but with your kind

permission I will move that the President appoint a committee of three to draft a bill to be presented to Congress at its next session regulating the savings departments in national banks, naming the investments of such funds, etc. This bill, when drafted, to be approved by our Executive Committee before further action is taken.

MR. FLACK, of Omaha: I second that resolution, and I wish to say that when I joined this Association I had hopes that some uniform bill might be arranged by which all States would have uniform laws. In the West, we have many States in which the laws are not sufficient, and many institutions have had trouble, and they had the name of "savings" connected with them, to the detriment of the cause of savings banks. It seems to me that it is important to get this uniform law, and this suggestion of Mr. Hanhart's is perhaps the best thing you could have. If the bill can be so framed, as he states, that certain securities would be segregated for the protection of savings deposits, I think that it should be done; on the other hand, there should be some arrangement by which only a portion of the capital would stand for these savings.

If such a law is passed it would protect the deposits and enable the national banks to open savings departments in small places where it is impossible for a savings bank to do business.

Therefore, I think it is important that this committee be appointed.

MR. JOHNSON, of Detroit: I would remind you that there has been created a Committee of Savings Bank Laws, and their duties will be in line with Mr. Hanhart's suggestions, and the consideration of all savings bank laws; they in turn will confer with the Uniform Law Committee of the Association and endeavor to bring about the very things that Mr. Flack suggests.

MR. MUNSON, of Williamsport, Pa.: I desire to say that I am unalterably opposed to the national bank going outside of its own business. I do not think the savings bank business is a proper one for a national bank, nor does the National Banking Act permit such banks to do a savings bank business, and I do not think Mr. Chase could ever have passed it had there been any different understanding of the act. It might do in small places where a savings bank could not be successful, but not in the country at large.

The savings bank loans upon actual property, for instance real estate, and this should be its chief and the largest part of its assets. The national bank, on the contrary, loans on credit. True, there are loans upon collateral, but after all is said and done, the business of the national banks is mostly upon credit, not upon property; therefore the national banks occupy one field and the savings banks another. Hence we should be opposed to, and if I were in Congress I should earnestly vote against, extending the powers of the national banks into the field of the savings banks. This resolution offered by our worthy Secretary makes it necessary that the national banks should invest their savings funds in the same securities as are designated for the savings banks, to wit, bonds and mortgages. The good mortgages and municipal bonds of any community can be taken up by the savings banks, and I do not believe there is any community in this broad land of ours where a savings bank cannot take up all the good first mortgages. That is their fair asset, and it belongs to them, and it would be an injustice to the savings banks of any place if that class of investments should be taken from them and turned over to the national bank.

MR. HANHART: As a matter of fact, the national banks are doing that business now. We have 156 members among the national banks, and I have not a doubt but that there are over 800 national banks to-day doing a savings bank business. It is useless to discuss whether it is right or wrong; they are lawfully doing it, and I believe that it behooves us to see that they invest their savings funds in the proper way, instead of subjecting them to the ordinary commercial risks. I believe we should step in and stop that by making them invest such deposits in such securities as we ourselves invest in. It is not a question of desirability; it is a condition that confronts us, not a theory.

Over and above all, our duty as directors and officers of savings banks is to safeguard the savings deposits all over the United States, whether they be made in State, national, or savings banks.

We are dealing with something that exists, not with something that the future may bring up.

COL. SPRAGUE, of New York: I move that the entire matter be referred to the Savings Bank Law Committee.

MR. CREER, of Cleveland: I usually agree in the main with

our good Secretary, but now I must take an entirely opposite stand. In the first place, if you will look back, history will prove to any one that a Savings Bank Department was never contemplated when that act was passed. The essence of savings bank security is in first mortgages, and the only provision in the National Bank Act that permits a national bank to use a first mortgage is to secure a loan previously made.

Now, then, the second is this: If the national banks want additional privileges, want to broaden their sphere of action, they should be the ones to take the initiative. We ought not to presume to say what national banks should do or should not do. We would be the first to condemn any action on the part of the national banks as to what should be the privileges of the savings banks. Therefore let us be consistent.

Another thing, Mr. Hanhart says that he does not believe in making savings bank depositors preferred creditors in national banks. I would like to know what difference it makes to a savings depositor in a national bank whether they invest their money in municipal bonds, or first mortgages, or anything else. If they make a large loss in a commercial loan, or a promotion, or something else, what investments shall be used to stem that gap?

MR. HANHART: I propose to segregate those deposits.

MR. CREER, of Cleveland: Then you cannot segregate those deposits in favor of the savings depositor without making him after that a preferred creditor.

MR. JOHNSON, of Detroit: I again move that the entire matter be submitted to the Committee on Savings Bank Laws.

This motion was seconded and unanimously carried.

MR. KAUFFMAN, of Tacoma: In the paper read by Mr. Creer this morning on "Uniform Laws," he referred to the necessity of uniform laws throughout the United States.

I want to do a little boasting here. I don't know whether you gentlemen are aware of what was done by the State of Washington at the last session of the Legislature. We passed an act, and I think I am safe in saying that it is the only State in the Union that has such a law to-day, exempting money deposits, securities, bonds and mortgages absolutely from taxation. Now, it would seem on first blush that to attempt to pass legislation of that nature in a State as

largely agricultural as Washington would be an absolute physical impossibility.

But what I wish to say now is that our action, action such as we took, I think would be proper, and should be the method of action to be taken by this Section in the attempt to pass any legislation.

We made no attempt in the State of Washington to let it be known that the banks of the State were in any way interested in the legislation proposed. The necessity for the legislation was brought about by the fact that the State Tax Commission that had been elected under a law passed two years ago, had practically announced to the banks of the State that they intended to tax every deposit that stood on the books that they could get at. We appointed a committee, members of the Executive Committee, to protest against any such effort being made. We well recognized the fact that having some ten or twelve millions of savings dposits, if the very fact was known that the Tax Commission should attempt to tax those deposits as they stood on the books of the bank, it would cause the taking of large amounts of that money which was invested in the State of Washington into other States. We recognized the fact also that if we should go to the Legislature and request the passage of an act we might just as well throw up our hands. We therefore started the work in the commercial bodies throughout Washington State; the Chambers of Commerce of Spokane, Tacoma, and Seattle endorsed it. We drew up circulars and letters; I myself had the privilege of preparing some forty odd different letters, one from a merchant, another from a laborer, another from a manufacturer, and so on; each of them was signed, genuinely signed, by the merchant, the laborer, or the manufacturer, but to have the argument in regular order we prepared them. Those letters were printed and sent into the Legislature from all sides, and we passed the law without a dissent in the House and few dissenting votes in the Senate.

I believe that if this Section in working against the adoption of any legislation would adopt the method suggested by Mr. Teter, it would tend to create the proper sentiment which would work directly upon the members of Congress throughout the United States, and that we could defeat at any time any such proposed legislation.

THE PRESIDENT: We will now take up the discussion of the "Independent Audit of a Savings Bank." Does anybody wish to be

heard on that subject? If not, we will take up Mr. Kern's paper, "Deposits Received Evenings."

MR. JOHNSON, of Detroit: I made a suggestion which I think may be valuable, to Mr. Perine; it is this: That in an audit, when an Examining Committee examines the assets of a bank, take the Clearing House checks to be sent over—seal the packages, address them to the cashiers of the respective institutions, in each package place a certificate to be signed by one of the officers of the bank, certifying that all of the checks enclosed in that package and appearing on the detailed ticket are correct and valid, and if there be any exceptions, to fully note them. Any not good are returned with full explanation on the sheet sent over. This prevents the tellers or exchange clerks from in any way using a fictitious check to force a balance, a method frequently used to cover shortage.

A MEMBER: It has been our custom for several years past to turn over our affairs to the representative of an audit company for an independent audit, and I must say, as an auditor, it has been a source of great satisfaction to me. As an institution grows the minor details sometimes get away, and sometimes there are things existing that you are going to take up and at the same time forget, and it is a pretty good thing to be called to account by a depositor once in a while, and if it is of so much satisfaction to an auditor it must be of increased satisfaction to your board of directors. We do not have the same audit company every year; we think it is best to change, because what one might pass over another would not. There is a statement of the number of certificates and number of shares mailed to each stockholder; there is a statement mailed to each individual borrower of the amount of his loan and the property covered if it be a mortgage, or the collateral if it be collateral, and he is requested to sign it, if it is correct, or note thereon if there is any discrepancy. Those are enclosed in stamped envelopes and returned to the auditor. Nobody in connection with the bank has anything to do with that mail. Our idea is to get the audit company in line about two or three weeks before our annual statement, so that they will have a chance to go through the whole of the affairs of the bank in that time and certify our annual statement, the copy of the report of the audit company being printed with the statement which is mailed to our depositors and members.

MR. JOHNSTON, of Schenectady: The committee made a reference to the system of auditing made by the Schenectady Savings Bank, of which I am treasurer, and if for no other reason I wish to here express our appreciation of this; perhaps a word from me relating to our detailed statement would be of interest.

At the time it was proposed to get out this detailed statement, giving the number and amount of every account, and the assets in detail, the officer who had in charge the matter wished to get the idea of some practical banker of long experience as to the advisability, and I know you will agree that a wise choice was made when he consulted Mr. Chas. E. Sprague. Our bank people took right hold of it, and I wish to say this—not so much in praise of our trustees as to give a little hint to the trustees of other banks—we have among the trustees of our bank the manager of the General Electric Company, we have also the chief engineer of the American Locomotive Company, and we have a number of practical men, including a lawyer and two physicians, and I wish to say, if it had not been for the liberal mind of our trustees, we would not have gotten out that complete statement. Many banks wanted to know whether it was successful or not. Nine of the banks in our vicinity during the year ending June 30, 1907, a year of universal decrease in deposits, lost $685,000 in deposits; our bank, in the same period, gained $700,000 in deposits. Certainly it did not have a bad effect, and I would like to say that the interest of the depositors was such as to encourage any bank wishing to try the plan.

MR. DINWIDDIE, of Iowa: Mr. President, I would like to ask Mr. Johnston one question. About what percentage of the number of parties listed in that list ever gave you any evidence that they had seen the list?

MR. JOHNSTON, of Schenectady: We were interested in just the same way in which the gentleman is now, and so we made inquiry. Our community is a community of working people, a savings community in every respect, and I wish to say that there was not one single fault-finding case, and inquiry will find that I am correct. Only numbers are used; no names are mentioned.

MR. DINWIDDIE, of Iowa: I am interested in the scheme of advertising. The great value of that publication was in the advertising, but was it a good investment?

MR. JOHNSTON, of Schenectady: We did not take it up with that idea. We had a body of trustees who did not believe that when you put a dollar into one of the greatest institutions that the world ever had—a printing press—that you are sinking it.

MR. JOHN MITCHELL, of Richmond: I wish to say, Mr. President, that the meeting here has given me great pleasure. I regard those gentlemen in Schenectady as "wizards." I regarded that scheme as being a physical impossibility. I read the paper they sent down there to Virginia, and I even read the explanation of how it was of practical value, and I am now of the opinion that it actually transcends anything that I have heard spoken of or put into practice. So far as the practical results are concerned, it gave information to every depositor, and I really think it will be a public benefit to every member of this American Bankers' Association, and that every member of this Association should be thoroughly conversant with that system of advertising. I am glad to have met the gentlemen; I don't know as I shall be able to do as he has done, but I am satisfied of one thing: that that plan will never be exceeded in the next one thousand years.

THE PRESIDENT: I think it would be a good plan for Mr. Johnston to send a copy of that paper to the Secretary.

MR. JOHNSTON, of Schenectady: He has one, but I will guarantee that he will not attempt to print it as an advertisement in the proposed book. I would like to say, Mr. President, if I may, that our bank would be very glad to send a copy of the pamphlet and the paper to any one who will write for it.

COL. SPRAGUE, of New York: I do not believe that all the certified public accountants and audit companies could give what we want. The crucial thing is to know whether our amount of deposits is correct or not, as the Schenectady experiment has shown. I do not see how a certified or public accountant can do that, and that is the one thing necessary.

One of the largest savings banks in New York employs a firm of chartered accountants, and they spend almost all their time in checking over the vouchers for expenditures, a very valuable thing, but it is only a mite in the savings bank sphere; it is only a minor safeguard. What we want is an efficient system for knowing whether the amount due the depositors has been underestimated.

I want to ask Mr. Johnston one question: What did the publication of these twenty odd thousand balances cost?

MR. JOHNSTON, of Schenectady: About $1,000—possibly a little over. We had given us from the publishers, I believe, about 1,500 copies as a gratuity; we purchased about 5,000 copies. We took the same type, of course, and cut it up and printed what we have given in the pamphlet. We sent out about 10,000 of the pamphlets, and you would be surprised to know the number of inquiries we had from all over the country and Canada.

THE PRESIDENT: The time for the discussion of this paper is past and we have to take up the discussion of Mr. Kern's paper, entitled "Deposits Received Evenings." Does any one wish to discuss the matter? If not, under the head of New Business there has been a resolution offered, and the Secretary will read it to you.

THE SECRETARY (Reading): "*Resolved*, The Executive Committee of the Savings Bank Section are hereby instructed and directed to arrange so that at all meetings in the future the Savings Bank Section and the Trust Company Section each have a separate day for their respective meetings." This resolution is offered by Mr. H. C. Harvey, cashier of the American Bank and Trust Company, Huntington, W. Va., and Vice-President for his State.

The resolution was duly seconded.

COL. SPRAGUE, of New York: I would like to have our Secretary, who is well informed on the matter, state what he thinks, from past experience from the last meeting at Hot Springs of the Executive Committee, is the probability of the Trust Company Section ever making any concession to us which will enable us to meet otherwise than we have to-day.

THE SECRETARY: I don't believe there will be any concession made. The probability is that, even if we take half a day, I hardly believe it would be satisfactory to you gentlemen. One day is little enough time, as you meet only once a year. At all events, the Trust Company Section is not going to give up the day, as is their right, being the older Section. I made a little canvass last year and asked many of our members whether they would come on Monday, supposing that Monday would be our day, and the responses were almost unanimous in favor of Monday; still, as there are gentlemen here to-day who seem to have doubts as to the delegates coming here the

day before the usual day, I think that if you leave the matter to the Executive Committee they will endeavor to bring about such an arrangement that you will have a meeting which will not conflict with the trust company meeting.

It was moved and seconded that the matter be referred to the Executive Committee.

Motion carried.

THE PRESIDENT: The next order of business is the report of the Nominating Committee.

The following nominations were made by Mr. Wm. M. Kern, of New York, Chairman of the Committee on Nominations:

President: Lucius Teter, Vice-President Chicago Savings Bank and Trust Company, Chicago, Ill.

First Vice-President: J. H. Johnson, President Peninsular Savings Bank, Detroit, Mich.

VICE-PRESIDENTS:

Alabama: Eugene F. Enslen, Cashier Jefferson County Savings Bank, Birmingham.

California: J. D. Radford, Vice-President German-American Savings Bank, Los Angeles.

Connecticut: Lyman S. Catlin, Treasurer Mechanics and Farmers' Savings Bank, Bridgeport.

Georgia: H. T. Powell, President Macon Savings Bank, Macon.

Illinois: M. H. Greenebaum, Cashier Illinois State Savings Bank, Pontiac.

Indiana: L. G. Tong, Cashier St. Joseph County Savings Bank, South Bend.

Iowa: J. M. Dinwiddie, Cashier Cedar Rapids Savings Bank, Cedar Rapids.

Kentucky: J. H. Parrish, President Owensboro Savings Bank and Trust Company, Owensboro.

LOUISIANA: G. A. Blaffer, Vice-President Commercial Germania Trust and Savings Bank, New Orleans.

Maine: E. A. Noyes, Treasurer Portland Savings Bank, Portland.

Maryland: Robert M. Rother, President Hopkins Place Savings Bank, Baltimore.

Massachusetts: Frederick C. Nichols, Treasurer Fitchburg Savings Bank, Fitchburg.

Michigan: Charles F. Collins, President Wayne County Savings Bank, Detroit.

Minnesota: F. Otto Willius, Assistant Treasurer State Savings Bank, St. Paul.

Missouri: Thornton Cooke, Treasurer Fidelity Trust Company, Kansas City.

Montana: E. P. Chapin, Vice-President State Savings Bank, Butte.

New Hampshire: J. E. Fernald, Vice-President Loan and Trust Savings Bank, Concord.

New Jersey: Adrian Lyon, President Perth Amboy Savings Institution, Perth Amboy.

New York: Everett Smith, President Schenectady Savings Bank, Schenectady.

North Carolina: W. L. Scales, Cashier Richmond County Savings Bank, Rockingham.

Ohio: E. Wiebenson, Treasurer United Banking and Savings Company, Cleveland.

Oregon: Lansing Stout, Cashier Hibernia Savings Bank, Portland.

Pennsylvania: C. La Rue Munson, President Savings Institution of the City of Williamsport, Williamsport.

South Carolina: W. D. Morgan, President Bank of Georgetown, Georgetown.

South Dakota: H. R. Dennis, President Sioux Falls Savings Bank, Sioux Falls.

Tennessee: J. H. Smith, Treasurer People's Savings Bank and Trust Company, Memphis.

Vermont: C. P. Smith, President Burlington Savings Bank, Burlington.

Virginia: R. M. Kent, Jr., Cashier Capitol Savings Bank, Richmond.

Washington: E. Shorrock, President Northwest Trust and Safe Deposit Company, Seattle.

West Virginia: H. C. Harvey, Cashier American Bank and Trust Company, Huntington.

Wisconsin: C. R. Carpenter, Cashier Commercial and Savings Bank, Racine.

THREE MEMBERS OF THE EXECUTIVE COMMITTEE TO SERVE THREE YEARS.

E. L. Robinson, Vice-President Eutaw Savings Bank of Baltimore, Baltimore, Md.

J. H. Hass, Cashier Scott County Savings Bank, Davenport, Iowa.

Alfred L. Aiken, Treasurer Worcester County Institution for Savings, Worcester, Mass.

ONE MEMBER, TO FILL VACANCY, TO SERVE FOR ONE YEAR.

H. A. Von Oven, President Beloit State Bank, Beloit, Wis.

THE PRESIDENT: Gentlemen, you have heard the report of the Committee on Nominations. What is your pleasure?

It was moved and seconded that the report be adopted, thereby electing the nominations as shown by the report.

Carried.

THE PRESIDENT: Mr. Teter, will you accord me the pleasure of coming upon the platform? It is my great pleasure to tender you your badge of office, which I hope you will receive and with it the courteous and kind treatment that all the members of this Section have given to the President about to retire. (Affixing badge to Mr. Teter's coat.) (Applause.)

The newly-elected President assumed the chair.

PRESIDENT TETER: Mr. ex-President and Gentlemen: I thank you most heartily for this honor, and if anything that I can do during the coming year will be of value to you and the members of our Section, it will be done most cordially. If you will give to me and the officers of the Section the same help that we have had, I know that we will get through the year most beautifully.

The hour is very late and the boardwalk very attractive, so I will not attempt to make any lengthy remarks, but I cannot help remembering the day, in 1902, when a few of us met in the St. Charles Hotel, New Orleans, and started this Section. Each year we have shown an increase, and this year, with a total strength of over 1,200, we are the banner Section of a banner Association.

One of the things I hope we can do this next year is to carefully interview our members with a view to learning just what savings banks are not members of our Section, and to find out, if we may, why they are not members, and if possible to bring them in. We have been moving rapidly, but I still feel that we should have more members. I bespeak your co-operation in this matter. If any of you know savings banks that are not members of our Association and our Section, will you endeavor to bring them in, and if you cannot do so, find out if possible, the reasons why, and we will see if in any way we can fix things so they will be brought in. Gentlemen, I thank you. (Applause.)

PRESIDENT TETER: If the newly-elected Vice-President will come forward, I will have the pleasure of presenting him with his badge of office. Mr. Johnson.

FIRST VICE-PRESIDENT J. H. JOHNSON: I thank you. (Applause.)

THE SECRETARY: The following resolution, gentlemen, is now offered at the close of our meeting:

Resolved, That the thanks of the Savings Bank Section of the American Bankers' Association be tendered to the bankers of Atlantic City for their courteous reception, and to the owners of the Marlborough-Blenheim Hotel for their pleasant and generous treatment of our delegates.

The motion was seconded and carried.

THE PRESIDENT: There will be a meeting of the Executive Committee of the Savings Bank Section immediately after the adjournment of this meeting. Will the members of the committee please meet promptly at the front here? Is there any gentleman who has any further business to bring before this meeting?

If not, a motion to adjourn will be in order.

It was moved and seconded that the meeting now adjourn.

Motion carried.

Adjourned.

At a meeting of the Executive Committee, held immediately after adjournment, Mr. Wm. R. Creer, of Cleveland, was elected Chairman and Mr. Wm. Hanhart, of New York, was re-elected Secretary.

LIST OF MEMBERS

LIST OF MEMBERS

ALABAMA.

Birmingham.....American Trust & Sav. Bank.
" Birmingham Trust & Sav. Co.
" Citizens' Savings Bank.
" First National Bank.
" Jefferson Co. Savings Bank.
" Peoples' Sav. B'k & Trust Co.
Birmingham.....Steiner Bros.
Columbiana..... Columbiana Savings Bank.
Mobile.....Union Savings Bank.
New Decatur....Commercial Sav.B'k & Tr. Co.
Thorsby.....Thorsby Savings Bank.
Tuscaloosa.....Mutual Trust & Savings Co.

ARIZONA.

Nogales.....First National Bank.
Phoenix.....Home Sav. Bank & Trust Co.

ARKANSAS.

Argenta.....Valley Savings Bank.
Helena.....Peoples' Sav. Bank & Tr. Co.
Hot Springs.....Security Bank, Hot Springs Sav., Trust & Guaranty Co.
Little Rock..... Capital City Savings Bank.
" People's Savings Bank.
Pine Bluff.....Cotton Belt Sav. & Trust Co.
" Peoples' Sav. Bank & Tr. Co.
Texarkana..... State Savings & Trust Co.

CALIFORNIA.

Azusa.....Azusa Valley Savings Bank.
Bakersfield.....Producers' Saving Bank.
Berkeley.....Berkeley Bank of Savings.
Colusa.....Farmers & Merchants' Bank of Colusa Co.
Escondido.....Escondido National Bank.
Eureka.....Sav. Bank of Humboldt Co.
Fresno.....Peoples' Savings Bank.
Healdsburg.....Sotoyome Bank.
Hollywood..... First National Bank.
Los Angeles..... Dollar Sav. Bk. & Trust Co.
" Equitable Savings Bank.
" Federal Bank.
" German-American Savings Bk.
" Intern'l Sav. & Ex. Bank.
" Merchants' Trust Co.
" Pacific Savings Bank.
" Security Savings Bank.
" Southern Calif. Savings Bank.
" Southern Trust Co.
" State Bank & Trust Co.
Marysville.....Northern Cal. Bk. of Savings.
Merced.....Commercial Bank.
" Merced Security Savings Bk.
Monterey..... Bank of Monterey.
" First National Bank.
Napa..... Napa Savings Bank.
Oakland.....Farmers & Merch'ts' Sav. Bk.
" Oakland Bank of Savings.
" Security Bank & Trust Co.
" State Savings Bank.
" Union Savings Bank.
Ocean Park.....Ocean Park Bank.
Palo Alto.....Bank of Palo Alto.
" First National Bank.
Pasadena.....American Bank & Trust Co.
" Bankers' Savings Bank.
" Pasadena Sav. & Trust Co.
" Union Savings Bank.
Petaluma.....Bank of Sonoma Co.
Pomona.....First National Bank.
" Pomona Savings Bank & Trust Co.
Redwood City....San Mateo Co. Sav. & Tr. Co.
Redlands.....Savings Bank of Redlands.
" Union Savings Bank.
Riverside.....Riverside Sav. Bk. & Tr. Co.
Sacramento.....Fort Sutter National Bank.
San Diego.....Southern Trust & Sav. Bank.

Sacramento	Peoples' Savings Bank.
"	Sacramento Bank.
San Francisco	Bank of Italy.
"	French-American Bank.
"	German Sav. & Loan Society.
"	Hibernia Sav. & Loan Society.
"	Humboldt Savings Bank.
"	Market Street Bank.
"	Mechanics' Savings Bank.
"	Metropolis Trust & Sav. Bank.
"	Mutual Savings Bank.
"	San Francisco Savings Union.
"	Savings & Loan Society.
"	Seaboard Bank.
"	State Sav. & Commercial Bk.
San Jose	San Jose S. D. Bk. of Savings.
San Luis Obispo	San Luis Savings Bank.
San Rafael	Marin County Bank.
Santa Clara	Santa Clara Valley Bank.
Santa Monica	Santa Monica Savings Bank.
Santa Rosa	Santa Rosa National Bank.
"	Savings Bank of Santa Rosa.
South Berkeley	South Berkeley Bank.
Stockton	Stockton Sav. & Loan Society.
"	Stockton Savings Bank.
Vallejo	Vallejo Commercial Bank.
Visalia	First National Bank.
"	Visalia Savings Bank.
Yreka	Siskiyou Co. Bank.

COLORADO.

Denver	Central Savings Bank.
"	Continental Trust Co.
"	International Trust Co.
"	Interstate Trust & Sav. Co.
Greeley	Weld Co. Savings Bank.
Fort Morgan	Home Savings Bank.
Pueblo	Pueblo Savings Bank.
Silverton	Silverton National Bank.

CONNECTICUT.

Ansonia	Savings Bank of Ansonia.
Bridgeport	Bridgeport Savings Bank.
"	City Savings Bank.
"	Mechanics & Farmers' Sav. Bk.
"	Peoples' Savings Bank.
Brooklyn	Brooklyn Savings Bank.
Chester	Chester Savings Bank.
Danbury	Savings Bank of Danbury.
"	Union Savings Bank.
Deep River	Deep River Savings Bank.
Derby	Derby Savings Bank.
Guilford	Guilford National Bank.
Hartford	Dime Savings Bank.
"	Mechanics' Savings Bank.
Jewett City	Jewett City Savings Bank.
Meriden	Meriden Savings Bank.
Middletown	Farmers & Mechanics' Sav.Bk.
Moodus	Moodus Savings Bank.
Naugatuck	Naugatuck Savings Bank.
New Britain	Home Trust & Sav. Corpora'n.
"	Savings Bank of New Britain.
New Haven	Connecticut Savings Bank.
"	New Haven Savings Bank.
New London	Mariners' Savings Bank.
"	Savings Bank of New London.
New Milford	New Milford Savings Bank.
Newtown	Newtown Savings Bank.
Norwalk	Fairfield Co. Savings Bank.
"	Norwalk Savings Society.
Norwich	Chelsea Savings Bank.
"	Dime Savings Bank.
"	Norwich Savings Society.
Portland	Freestone Savings Bank.
Putnam	Putnam Savings Bank.
Seymour	Seymour Trust Co.
South Norwalk	South Norwalk Savings Bank.
Southport	Southport Savings Bank.
Stafford Springs	Stafford Savings Bank.
Stamford	Citizens' Savings Bank.
"	Stamford Savings Bank.
Torrington	Torrington Savings Bank.
Waterbury	Dime Savings Bank.
Winsted	Winsted Savings Bank.

DELAWARE.

Delaware City	Delaware City National Bank.
Newark	Newark Tr. & Safe Deposit Co.
Wilmington	Artisans' Savings Bank.
"	Wilmington Sav. Fund Society.

DISTRICT OF COLUMBIA.

Washington	Home Savings Bank.
"	Merch'ts & Mech'cs' Sav. B'k.
"	National Sav. & Tr. Co.
"	Potomac Savings Bank.
Washington	Traders' National Bank.
"	Union Savings Bank.
"	Washington Mechanics Sv. Bk.

FLORIDA.

Fernandina	First National Bank.
Jacksonville	Union Savings Bank.
Miami	First National Bank.
Palatka	East Florida Sav. & Trust Co.
St. Augustine	Peoples' Bank for Savings.

GEORGIA.

Athens	Athens Savings Bank.
Atlanta	Fourth National Bank.
"	Georgia Sav. Bk. & Trust Co.
"	Trust Company of Georgia.
"	Union Savings Bank.
Augusta	Union Savings Bank.
Buena Vista	Buena Vista Loan & Sav. B'k.
Columbus	Columbus Savings Bank.
Cedartown	Bank of Cedartown.
Columbus	Home Savings Bank.
Dallas	Commercial Savings Bank.
Macon	Commercial & Savings Bank.
"	Macon Savings Bank.
Pitts	Pitts Banking Co.
Reidsville	Tattnall Bank.
Savannah	Savannah Trust Co.

IDAHO.

Grangeville	Grangeville Sav. & Tr. Co.
Hailey	Commercial & Savings Bank.
Lewiston	Idaho Trust Co.
Nampa	Bank of Nampa, Ltd.
Preston	Idaho State & Savings Bank.

ILLINOIS.

Abington	First National Bank.
Alton	Alton Savings Bank.
Arlington Heights	Arlington Heights State Bank.
Aurora	Aurora Trust & Savings Bank.
Basco	Basco Bank.
Belleville	Belleville Savings Bank.
Bloomington	State National Bank.
Cairo	Enterprise Savings Bank.
Canton	Canton National Bank.
Carthage	Dime Savings Bank.
"	Hancock Co. National Bank.
Chester	First State Bank.
Chicago	American Trust & Sav. Bank.
"	Central Trust Co. of Illinois.
"	Chicago Savings Bk. & Tr. Co.
"	Citizens' Trust & Savings Bk.
"	Colonial Tr. & Savings Bank.
"	Drovers' Tr. & Savings Bank.
"	Drexel State Bank.
"	First Trust & Savings Bank.
"	Harris Trust & Sav. Bank.
"	Hibernian Banking Associa'n.
"	Illinois Tr. & Savings Bank.
"	Industrial Savings Bank.
"	Krause Savings Bank.
"	Merchants' Loan & Trust Co. Bank.
"	Metropolitan Tr. & Savings Bank.
"	Mutual Bank.
"	Northern Trust Co. Bank.
"	North West Savings Bank.
"	Northwestern Tr. & Sav. Bk.
"	Ravenswood Exchange Bank.
"	Royal Trust Co. Bank.
"	South Chicago Savings Bank.
Chicago	State Bank of Chicago.
"	Union Bank of Chicago.
"	Western Trust & Savings B'k.
"	Woodlawn Trust & Sav. B'k.
Danville	American Bank & Trust Co.
"	Commercial Tr. & Sav. Bank.
Decatur	Citizens' National Bank.
East Dubuque	East Dubuque Savings Bank.
East St. Louis	Union Trust & Sav. Bank.
Evanston	State Bank of Evanston.
Galesburg	Bank of Galesburg.
"	Farmers & Mechanics' Bank.
"	People's Trust & Sav. Bank.
Harrisburg	Saline Trust & Sav. Bank.
Herrin	Herrin State Savings Bank.
Jacksonville	Jacksonville National Bank.
Kewanee	First National Bank.
"	Savings Bank of Kewanee.
Moline	People's Sav. Bank & Tr. Co.
"	State Savings Bank & Tr. Co.
Peoria	Commercial German Nat'l Bk.
"	Dime Savings & Trust Co.
"	Home Savings & State Bank.
"	Savings Bank of Peoria.
Pontiac	Illinois State Savings Bank.
Prophetstown	Farmers' National Bank.
Prophetstown	Bank of Prophetstown.
Pullman	Pullman Trust & Sav. Bank.
Quincy	Mercantile Tr. & Sav. Bank.
"	State Savings Loan & Tr. Co.
Rochelle	Stocking Trust & Sav. Bank.
Rock Island	Rock Island Savings Bank.
Springfield	Farmers' National Bank.
"	State National Bank.
Sterling	First National Bank.
Sycamore	Pierce Trust & Savings Bank.
West Pullman	State Bank of West Pullman.

INDIANA.

Bedford.....Citizens' National Bank.
Boonville.....Farmers & Merchants' Bank.
Elkhart.....St. Joseph Valley Bank.
Evansville.....American Trust & Savings Co.
" Commercial Bank.
" Evansville Trust & Sav. Co.
Jeffersonville.....Citizens' National Bank.
Michigan City....Michigan City Tr. & Sav. Co.
Mishawaka.....Mishawaka Trust & Sav. Bk.
Orleans.....Citizens' Bank.
Peru.....First National Bank.
" Peru Trust Co.
" Wabash Valley Trust Co.
South Bend.....Citizens' Loan, Tr. & Sav. Co.
" St. Joseph Co. Savings Bank.
Tell City.....Tell City National Bank.

INDIAN TERRITORY.

Muskogee.....Alamo Savings Bank.

IOWA.

Anamosa.....Citizens' Savings Bank.
Anamosa.....Niles & Watters Savings Bank.
Atlantic.....Citizens' Savings Bank.
Battle Creek.....Battle Creek Savings Bank.
" Maple Valley Savings Bank.
Berlin..... German Savings Bank.
Bradgate.....Bradgate State Savings Bank.
Bronson.....Bronson Savings Bank.
Burlington..... Burlington Savings Bank.
" German-American Savings Bk.
Casey.....Citizens' Savings Bank.
Castana.....Castana Savings Bank.
Cedar Rapids.....Cedar Rapids Savings Bank.
" People's Savings Bank.
" Security Savings Bank.
Chester..... German Savings Bank.
Clarinda..... Clarinda Trust & Savings Bk.
Clarion..... Clarion Savings Bank.
Clinton..... Iowa State Savings Bank.
" People's Trust & Savings Bk.
Council Bluffs....Council Bluffs Savings Bank.
" State Savings Bank.
Creston..... Iowa State Savings Bank.
Cushing.....Cushing Savings Bank.
Davenport.....Farmers & Mech'cs' Sav. Bk.
" Scott Co. Savings Bank.
Davenport.....German Savings Bank.
Decorah.....Citizens' Savings Bank.
Des Moines.....Century Savings Bank.
" German Savings Bank.
" Home Savings Bank.
" Iowa Loan & Trust Co.
" Marquardt Savings Bank.
" People's Savings Bank.
" Valley Savings Bank.
De Witt.....First National Bank.
Dolliver.....Dolliver Savings Bank.
Dubuque.....Iowa Trust & Savings Bank.
Dubuque.....German Trust & Sav. Bank.
Dysart.....Dysart Savings Bank.
Eldridge.....Eldridge Savings Bank.
Fairfield..... Iowa State Savings Bank.
Fort Madison....Fort Madison Savings Bank.
Garrison.....Farmers' Savings Bank.
George.....Farmers' Savings Bank.
Grand Mound....People's Savings Bank.
Grimes.....Farmers' Savings Bank.
" Grimes Savings Bank.
Halbur.....German Savings Bank.
Harris.....Harris Savings Bank.
Hillsboro.....Farmers & Traders' Sav. Bk.
Holstein..... Holstein Savings Bank.
Keokuk..... Keokuk Savings Bank.
" State Central Savings Bank.
Kinross.....Kinross Savings Bank.
Lake Park.....German Savings Bank.
Lanesboro.....Lanesboro Savings Bank.
Larrabee.....Larrabee Savings Bank.
LeMars..... First National Bank.
" German-American Savings Bk.
Letts..... Citizens' Savings Bank.
Lime Springs.....Exchange State Bank.
Linden.....Linden Savings Bank.
Lohriville.....Lohriville Savings Bank.
Low Moor.....Citizens' Savings Bank.
Lyons.....Iowa State Savings Bank.
Maquoketa.....American Savings Bank.
Marshalltown.....City National Bank.
" Fidelity Savings Bank.
Muscatine.....First Trust & Savings Bank.
New Albin.....New Albin Savings Bank.
North English....Farmers' Savings Bank.
Onslow..... Onslow Savings Bank.
Oskaloosa..... Oskaloosa Savings Bank.
Perry.....Perry Sav. & Exchange Bank.
Rock Rapids..... First National Bank.
Shenandoah.....Commercial Savings Bank.
Sioux City.....Live Stock National Bank.
Sioux City.....Woodbury County Sav. Bank.
Sutherland.....First Savings Bank.
Thor.....Thor Savings Bank.
Victor..... Farmers' Savings Bank.
Vinton.....People's Savings Bank.
" Vinton Savings Bank.
Wapello.....Wapello State Savings Bank.
Wayland.....Wayland Savings Bank.
Wellman.....Wellman Savings Bank.
" Security Savings Bank.
Wellsburg.....Wellsburg Savings Bank.
What Cheer.....What Cheer Savings Bank.
Wilton Junction..Wilton Savings Bank.
Zearing..... State Savings Bank.

KANSAS.

Atchison	Atchison Savings Bank.
Emporia	Citizens' National Bank.
Garnett	Garnett State Savings Bank.
Girard	State Bank of Girard.
Leavenworth	Wulfekuhler State Bank.
Topeka	State Savings Bank.
Wichita	State Savings Bank.

KENTUCKY.

Covington	Citizens' National Bank.
Henderson	Henderson Co. Savings Bank.
Hopkinsville	Commercial & Savings Bank.
Louisville	Columbia Trust Co.
"	Kentucky Title Savings Bank.
"	Third National Bank.
Madisonville	Farmers' National Bank.
Murray	Citizens' Bank.
Nolin	Nolin Banking Co.
Owensboro	Owensboro Sav. Bk. & Tr. Co.
Paducah	Citizens' Savings Bank.
Uniontown	Uniontown Savings Bank.

LOUISIANA.

Baton Rouge	People's Savings Bank & Trust Co.
New Orleans	Bank of Orleans.
"	Carrollton Sav., Tr. & Bkg. Co.
"	Central Trust & Savings Bank.
"	Commercial Germania Trust & Savings Bank.
New Orleans	German-Amer. Sav. Bank & Tr. Co.
"	Interstate Trust & Bank'g Co.
"	People's Sav., Tr. & B'k'g Co.
"	U. S. Safe Deposit & Sav. Bk.
Monroe	Central Savings Bk. & Tr. Co.
Shreveport	First National Bank.

MAINE.

Augusta	Augusta Trust Co.
Bangor	Bangor Savings Bank.
"	Penobscot Savings Bank.
Bath	Bath Savings Institution.
"	People's Safe Dep. & Sav. Bk.
Belfast	Belfast Savings Bank.
Kennebunk	Kennebunk Savings Bank.
Dover	Piscataquis Savings Bank.
Portland	Fidelity Trust Co.
"	Maine Savings Bank.
"	Portland National Bank.
"	Portland Savings Bank.
South Paris	South Paris Savings Bank.
Waterville	Waterville Savings Bank.

MARYLAND.

Annapolis	Annapolis Savings Institution.
Baltimore	Border State Savings Bank.
"	Central Savings Bank.
"	Commonwealth Bank.
"	Eutaw Savings Bank.
"	German Savings Bank.
"	Hopkins Place Savings Bank.
"	Maryland Savings Bank.
"	Provident Savings Bank.
"	St. James Savings Fund.
"	Savings Bank of Baltimore.
Boonsboro	Boonsboro Bank.
Brunswick	Savings Bank of Brunswick.
Chestertown	Kent Co. Savings Bank.
Chestertown	Chestertown Bk. of Maryland.
Cumberland	Cumberland Savings Bank.
Hagerstown	Mechanics' Loan & Sav. Ins.
Lonaconing	Lonaconing Savings Bank.
Middletown	Valley Savings Bank.
Mt. Savage	First National Bank.
Princess Anne	Bank of Somerset.
Queenstown	Queenstown Savings Bank.
Rising Sun	National Bank of Rising Sun.
Sandy Spring	Sav. Inst'n of Sandy Spring.
Taneytown	Taneytown Savings Bank.
Upper Marlboro	First Nat. Bk. of So. Maryl'd.
Westminster	Westminster Savings Bank.
Woodsboro	Woodsboro Savings Bank.

MASSACHUSETTS.

Adams.....South Adams Savings Bank.
Andover.....Andover Savings Bank.
Athol.....Athol Savings Bank.
Baldwinsville.....Templeton Savings Bank.
Beverly.....Beverly Savings Bank.
Boston.....Boston Banking Co.
" East Boston Savings Bank.
" Franklin Savings Bank.
" Institution for Sav. in Roxbury & Vicinity.
Cohasset.....Cohasset Savings Bank.
East Bridgewater. East Bridgewater Savings Bk.
Easthampton.....Easthampton Savings Bank.
Fairhaven.....Fairhaven Instit'n for Savings.
Fitchburg.....Fitchburg Savings Bank.
Foxboro.....Forborough Savings Bank.
Franklin.....Benjamin Franklin Sav. Bank.
Gloucester.....Gloucester National Bank.
Greenfield.....Greenfield Savings Bank.
Haverhill.....City Five Cents Savings Bank.
" Haverhill Savings Bank.
Hingham.....Hingham Instit'n for Savings.
Holyoke.....Holyoke Savings Bank.
" Mechanics' Savings Bank.
Hudson.....Hudson Savings Bank.
Hyde Park.....Hyde Park Savings Bank.
Lawrence.....Lawrence Savings Bank.
Leicester.....Leicester Savings Bank.
Lexington.....Lexington Savings Bank.
Lowell.....City Institution for Savings.
" Traders' National Bank.
Lynn.....Lynn Institution for Savings.
Malden.....Malden Savings Bank.
Marlborough.....Marlborough Savings Bank.
Millbury.....Millbury Savings Bank.
Monson.....Monson Savings Bank.
Newton.....Newton Savings Bank.
North Adams....Hoosac Savings Bank.
Northampton.....Northampton Instit'n for Sav.
North Easton....North Easton Savings Bank.
Orange.....Orange Savings Bank.
Palmer.....Palmer Savings Bank.
Pittsfield.....City Savings Bank.
Plymouth.....Plymouth Five Cents Sav. Bk.
Quincy.....Quincy Savings Bank.
Randolph.....Randolph Savings Bank.
Salem.....Salem Five Cents Savings Bk.
" Salem Savings Bank.
Somerville.....Somerville Savings Bank.
South Braintree..Braintree Savings Bank.
Southbridge.....Southbridge Savings Bank.
Springfield.....Springfield Five Cents Sav. Bk.
Taunton.....Taunton Savings Bank.
Waltham.....Waltham Savings Bank.
West Newton....West Newton Savings Bank.
Weymouth.....Weymouth Savings Bank.
Worcester.....People's Savings Bank.
" Worcester Five Cents Sav. Bk.
" Worcester Co. Instit'n for Sav.

MICHIGAN.

Adrian.....Adrian State Savings Bank.
" Commercial Savings Bank.
" Lenawee Co. Savings Bank.
Albion.....Albion State Bank.
" Commercial & Savings Bank.
Alma.....First State Bank.
Alpena.....Alpena Co. Savings Bank.
Ann Arbor.....Farmers & Mechanics' Bank.
Armada.....Armada Savings Bank.
Battle Creek.....Merchants' Savings Bank.
Bay City.....People's Savings Bank.
Belding.....People's Savings Bank.
Benton Harbor...Farmers & Merchants' Bank.
Big Rapids.....Big Rapids Savings Bank.
Blissfield.....Jipson-Carter State Bank.
Breckenridge.....First State Savings Bank.
Brown City.....Citizens' State Savings Bank.
Cadillac.....People's Savings Bank.
Caro.....Commercial Savings Bank.
" State Savings Bank.
Centreville.....Wolf Bros.' Bank.
Cheboygan.....Cheboygan Co. Savings Bank.
" First National Bank.
Chelsea.....Chelsea Savings Bank.
Corunna.....Old Corunna State Bank.
Detroit.....Central Savings Bank.
" Citizens' Savings Bank.
" Detroit Savings Bank.
" Dime Savings Bank.
Detroit.....Dime Savings Bank, No. 1174 Jefferson Av.
" Dime Savings Bank, No. 1491 Woodward Av.
" Home Savings Bank.
" Michigan Savings Bank.
" Peninsular Savings Bank.
" Peninsular Savings Bank, No. 733 Gratiot Av.
" Peninsular Savings Bank, 18th St. & Michigan Av.
" Peninsular Sav'gs Bank, River St.
" People's State Bank.
" Gratiot Avenue Office.
" Michigan Avenue Office.
" Russell Street Office.
" United States Savings Bank.
" Washington Arcade Office.
" Wayne Co. Savings Bank.
Elk Rapids.....Elk Rapids Savings Bank.
Elsie.....State Savings Bank.
Escanaba.....First National Bank.
Fairview.....Fairview Savings Bank.
Fenton.....Commercial Savings Bank.
Flint.....Citizens' Com'cial & Sav. Bk.
Flint.....Genessee Co. Savings Bank.
" National Bank of Flint.
" Union Trust & Savings Bank.

Frankfort.....Benzie Co. State Savings Bk.
Grand Rapids....Commercial Savings Bank.
" Grand Rapids Savings Bank.
" Kent Co. Savings Bank.
" People's Savings Bank.
" State Bank of Michigan.
Greenville.....Greenville State Bank.
" Commercial State Sav. Bank.
Hancock..... First National Bank.
" Superior Savings Bank.
Harbor Beach....Huron Co. Savings Bank.
Hart.....Oceana Co. Savings Bank.
Hastings.....Hastings City Bank.
Holland.....Holland City State Bank.
Holly.....Citizens' Savings Bank.
" First State & Savings Bank.
Hudson.....Boies State Savings Bank.
" Thompson Savings Bank.
Ionia..... State Savings Bank.
Jackson.....Jackson State Savings Bank.
Kalamazoo..... First National Bank.
" Home Savings Bank.
" Kalamazoo Savings Bank.
Lansing.....Lansing State Savings Bank.
Laurium..... State Savings Bank.
Ludington.....First National Bank.
Mancelona..... Antrim Co. State Savings Bk.
Manistee.....Manistee Co. Savings Bank.
Marquette.....Marquette Co. Savings Bank.
" Marquette National Bank.
Marshall.....Commercial Savings Bank.
Menominee.....First National Bank.
Mt. Clemens..... Citizens' Savings Bank.
" Mt. Clemens Savings Bank.
Mt. Clemens....Ullrich Savings Bank.
Mohawk.....Keweenaw Savings Bank.
Muskegon.....Muskegon Savings Bank.
Monroe.....Monroe State Savings Bank.
New Haven.....New Haven Savings Bank.
North Branch....Pioneer Bank.
Northville.....Northville State Savings Bank.
Ovid.....State Savings Bank.
Owosso..... Citizens' Savings Bank.
" Owosso Savings Bank.
" State Savings Bank.
Plainwell.....Citizens' State Savings Bank.
Pontiac..... First Commercial Bank.
Port Huron..... Commercial Bank.
Petosky.....First State Bank.
Portland.....Maynard-Allen State Bank.
River Rouge..... River Rouge Savings Bank.
Romeo.....Romeo Savings Bank.
Saginaw.....People's Savings Bank.
" Saginaw Co. Savings Bank.
St. Clair.....Commercial & Savings Bank.
Sault de St. MariSault Savings Bank.
Scottville.....State Savings Bank.
Tecumseh.....Tecumseh State Savings Bank.
Three Rivers.....First State Savings Bank.
Traverse City....People's Savings Bank.
" Traverse City State Bank.
Unionville.....State Savings Bank.
Vassar.....State Savings Bank.
Wayne.....Wayne Savings Bank.
White Pigeon....Farmers' Savings Bank.
Wyandotte..... Wyandotte Savings Bank.
Ypsilanti.....Ypsilanti Savings Bank.

MINNESOTA.

Alden.....First National Bank.
Blooming Prairie.First National Bank.
Coleraine.....First National Bank.
Duluth.....Duluth Savings Bank.
Elbow Lake.....First National Bank.
Minneapolis.....Farmers & Mech'cs' Sav. Bk.
" Hennepin Co. Savings Bank.
Owatonna.....National Farmers' Bank.
Red Wing.....Goodhue Co. Savings Bank.
St. Paul..... Security Trust Co.
" State Savings Bank.
Winona.....Second National Bank.
" Winona Savings Bank.

MISSISSIPPI.

Canton.....Mississippi State Bank.
Greenville.....Commercial Savings Bank.
Hattiesburg..... Citizens' Bank.
" First National Bank.
" National Bank of Commerce.
Silver City..... Bank of Silver City.
Vicksburg.....City Savings & Trust Co.
" Lincoln Savings Bank.
Water Valley.... Mechanics' Savings Bank.

MISSOURI.

Bethany.....Bethany Savings Bank.
Bowling Green... People's Savings Bank.
Breckenridge..... Breckenridge Savings Bank.
Columbia.....Columbia Savings Bank.
Edina.....Knox Co. Savings Bank.
Fulton.....Home Savings Bank.
Hermann.....Hermann Savings Bank.
Jackson.....Cape Girardeau Co. Sav. Bank.
Kahoka.....Kahoka Savings Bank.
Kansas City.....Corn Belt Bank.
" Fidelity Trust Co.
Kirksville..... Kirksville Savings Bank.

Kirkwood	Kirkwood Savings Bank.
La Belle	La Belle Savings Bank.
Lexington	Lexington Savings Bank.
Marshall	Farmers' Savings Bank.
Mexico	Mexico Savings Bank.
Miami	Miami Savings Bank.
Monticello	Monticello Trust Co.
Pattonsburg	Pattonsburg Savings Bank.
St. Charles	Union Savings Bank.
St. Louis	German Savings Institution.
"	Mercantile Trust Co.
"	Mississippi Valley Trust Co.
"	Northwestern Savings Bank.
"	Southern Commer. & Sav. Bk.
"	St. Louis Union Trust Co.
Salisbury	Salisbury Savings Bank.
Silex	Silex Savings Bank.
Troy	Farmers & Mech'ics' Sav. Bk.

MONTANA.

Anaconda	Yegen Bros.' Savings Bank.
Billings	First Trust & Savings Bank.
"	Yegan Bros.' Savings Bank.
Butte	Miners' Sav. Bk. & Trust Co.
"	State Savings Bank.
"	Yegan Bros.' Savings Bank.
Gardiner	Yegan Bros.' Savings Bank.
Glendive	First National Bank.
Havre	Security State Bank.
Helena	Thomas Cruse Savings Bank.
"	Union Bank & Trust Co.
Kendall	First State Bank.
Lewistown	Bank of Fergus County.
"	Empire Bank & Trust Co.

NEBRASKA.

Fremont	Fremont Trust & Savings Bk.
Omaha	City Savings Bank.

NEVADA.

Reno	Nixon National Bank.

NEW HAMPSHIRE.

Berlin	Berlin Sav. Bank & Trust Co.
Concord	Loan & Trust Savings Bank.
"	New Hampshire Savings Bank.
Conway	Conway Savings Bank.
Dover	Strafford Savings Bank.
Keene	Cheshire County Sav. Bank.
"	Keene National Bank.
Lancaster	Lancaster Savings Bank.
Peterboro	Peterboro Savings Bank.
Portsmouth	Portsmouth Savings Bank.
Rochester	Norway Plains Savings Bank.
Somersworth	Somersworth Savings Bank.
Whitefield	Whitefield Sav. Bk. & Tr. Co.

NEW JERSEY.

Allentown	Farmers' National Bank.
Atlantic City	Chelsea National Bank.
Bayonne	Mechanics' Trust Co.
Blairstown	First National Bank.
Bloomfield	Bloomfield National Bank.
"	Bloomfield Savings Institution.
Burlington	Burlington Savings Institution.
Camden	Camden National Bank.
Flemington	Hunterdon Co. National Bank.
Hoboken	Hoboken Bank for Savings.
Jersey City	Fifth Ward Savings Bank.
"	Hudson City Savings Bank.
"	Provident Institution for Sav.
"	Union Trust Co. of N. J.
Lambertsville	Lambertsville National Bank.
Long Branch	Citizens' National Bank.
Montclair	Montclair Savings Bank.
Morristown	Morris Co. Savings Bank.
Mt. Holly	Union National Bank.
Newark	Franklin Savings Institution.
"	North Ward National Bank.
New Brunswick	Nat'l Bank of New Jersey.
"	New Brunswick Sav. Instit'n.
"	New Brunswick Trust Co.
Ocean City	First National Bank.
Paterson	Paterson Savings Institution.
Perth Amboy	Perth Amboy Savings Inst.
Phillipsburg	Phillipsburg National Bank.
Plainfield	Dime Savings Institution.
"	Plainfield Trust Co.
Princeton	Princeton Savings Bank.
Raritan	Raritan Savings Bank.
Summit	Summit Bank.
Sussex	Farmers' National Bank.
Trenton	Mercer Trust Co.
"	Trenton Savings Fund Society.
West Hoboken	Hudson Trust Co.

NEW YORK.

Albany.....Albany Exchange Sav. Bank.
" Home Savings Bank.
" National Savings Bank.
Auburn.....Auburn Savings Bank.
" Cayuga Co. Savings Bank.
Brewster.....Putnam Co. Savings Bank.
Buffalo.....American Savings Bank.
" Buffalo Savings Bank.
" Erie Co. Savings Bank.
" Western Savings Bank.
Cortland.....Cortland Savings Bank.
Fulton.....Fulton Savings Bank.
Goshen.....Goshen Savings Bank.
Holland Patent...First National Bank.
Ithaca.....Ithaca Savings Bank.
Jamestown.....Chautauqua Co. Trust Co.
Kingston.....Kingston Savings Bank.
" Rondout Savings Bank.
" Ulster Co. Savings Institution.
Larchmont.....Larchmont National Bank.
Mamaroneck.....Union Savings Bank of Westchester Co.
Middletown.....Middletown Savings Bank.
Millbrook.....Bank of Millbrook.
New York City..Citizens' Savings Bank.
" Dry Dock Savings Institution.
" East River Savings Institution.
" Empire City Savings Bank.
" Excelsior Savings Bank.
" German Savings Bank.
" Harlem Savings Bank.
" Italian Savings Bank.
" Irving Savings Institution.
" Maiden Lane Savings Bank.
" Manhattan Savings Institution.
" Metropolitan Savings Bank.
" Mutual Alliance Trust Co.
" Union Dime Sav. Institution.
" United States Savings Bank.
" Washington Savings Bank.
" West Side Savings Bank.
New York City...Windsor Trust Co.
New York City. (Borough of Brooklyn)....City Savings Bank.
" Dime Sav. Bank of Brooklyn.
" East Brooklyn Savings Bank.
" Greater New York Sav. Bank.
" Hamburg Savings Bank.
" Home Savings Bank.
" So. Brooklyn Sav. Institution.
" Williamsburgh Savings Bank.
New York City. (Borough of Bronx).....Bronx Savings Bank.
" Dollar Savings Bank.
" North Side Savings Bank.
New York City. (Borough of Richmond)...Richmond Co. Savings Bank.
Ossining.....Sing Sing Savings Bank.
Patchogue.....Union Savings Bank.
Peekskill.....Peekskill Savings Bank.
Poughkeepsie.....Poughkeepsie Savings Bank.
Rochester.....Mechanics' Savings Bank.
" Monroe Co. Savings Bank.
" Rochester Savings Bank.
Rockville Centre..Rockville Centre Sav. & Loan Association.
Rome.....Oneida Co. Savings Bank.
" Rome Savings Bank.
Schenectady.....Schenectady Savings Bank.
Southold.....Southold Savings Bank.
Tonawanda.....First National Bank.
Troy.....Manufacturers' National Bank.
" Troy Savings Bank.
Utica.....Savings Bank of Utica.
Warwick.....Warwick Savings Bank.
Watertown.....Jefferson Co. Savings Bank.
White Plains.....Home Savings Bank.
Yonkers.....People's Savings Bank.
" Yonkers Savings Bank.

NORTH CAROLINA.

Asheville.....Citizens' Tr. & Savings Bank.
Elizabeth City....Savings Bank & Trust Co.
Enfield.....Bank of Enfield.
Henderson.....Citizens' Bank.
High Point.....High Point Savings & Tr. Co.
Raleigh.....Mechanics' Dime Savings Bk.
" Raleigh Savings Bank.
Rockingham.....Richmond Co. Savings Bank.
Rowland.....Bank of Rowland.
Washington.....Savings & Trust Co.

NORTH DAKOTA.

Carrington.....Commercial State Bank.
Leeds.....Leeds State Bank.

OHIO.

Akron.....Central Savings & Trust Co.
" Dime Savings Bank.
" Dollar Savings Bank.
" People's Savings Bank.
Alliance.....City Savings Bank & Tr. Co.
Barberton.....Barberton Savings Bank Co.
Bellaire.....Dollar Savings Bank Co.
Canton.....Canton Savings & Trust Co.
" Central Savings Bank.
" City National Bank.
" Dime Savings Bank Co.
" Isaac Harter & Sons Savings Deposit Bank.
Chagrin Falls....Chagrin Falls Banking Co.

Chicago	Home Savings & Banking Co.
Cincinnati	Queen City Sav. Bk. & Tr. Co.
"	Southern Ohio Savings Bk. Co.
"	Union Sav. Bank & Trust Co.
"	Unity Banking & Savings Co.
Cleveland	Broadway Sav. & Trust Co.
"	Brooklyn Sav. & Loan Assn.
"	Citizens' Savings & Trust Co.
"	Clark Av. Savings Bank Co.
"	Cleveland Savings & Loan Co.
"	Cleveland Trust Co.
"	Depositors' Sav. & Trust Co.
"	Dime Savings & Banking Co.
"	Euclid Avenue Trust Co.
"	Garfield Savings Bank Co.
"	German-American Sav. Bk. Co.
"	Guardian Savings & Trust Co.
"	Hough Av. Sav. & B'k'g. Co.
"	Lorain St. Savings Bank Co.
"	Pearl St. Savings & Trust Co.
"	People's Savings Bank Co.
"	Society for Savings.
"	South Cleveland Banking Co.
"	State Banking & Trust Co.
"	Superior Savings & Trust Co.
"	United Banking & Savings Co.
"	Woodland Av. Sav. & Tr. Co.
Columbus	American Savings Bank.
"	Citizens' Savings Bank.
"	Columbus Savings Bank Co.
"	Market Exchange Bank Co.
"	Ohio National Bank.
"	Ohio State Sav. & Loan Assn.
"	Ohio Trust Co.
"	State Savings Bank & Tr. Co.
Cuyahoga Falls	Cuyahoga Falls Savings Bank.
Cygnet	Cygnet Savings Bank.
Dayton	Dayton National Bank.
"	Dayton Savings & Trust Co.
East Liverpool	Dollar Savings Bank Co.
"	Potters' Building & Sav. Co.
Elyria	Sav. Deposit Bk. & Trust Co.
Findlay	Buckeye National Bank.
"	Commercial Bank & Sav. Co.
Flushing	Dollar Savings Bank Co.
Fostoria	Mechanics' Banking Co.
Fremont	Colonial Sav. Bank & Tr. Co.
"	Croghan Bank & Savings Co.
"	Fremont Savings Bank Co.
Hamilton	Hamilton Dime Sav. Bank Co.
Jackson	Citizens' Sav. Bank & Tr. Co.
Lorain	Penfield Av. Savings Bank Co.
Mansfield	Citizens' Savings & Loan Co.
"	Richland Savings Bank Co.
Marietta	Dime Savings Society.
Martin's Ferry	German Savings Bank Co.
"	People's Savings Bank Co.
Mt. Vernon	Knox Co. Savings Bank.
North Fairfield	North Fairfield Savings Bk. Co.
Norwalk	Norwalk Savings Bank Co.
Orrville	Orrville Savings Bank.
Painesville	Dollar Savings Bank Co.
Poland	Farmers' Deposit & Sav. Bank.
Portsmouth	Security Sav. Bank. & Tr. Co.
Ridgeville Corn's.	State Savings Bank.
Rocky River	Rocky River Sav. & Bk'g Co.
Sandusky	American Banking & Trust Co.
Shiloh	Shiloh Savings Bank Co.
Sidney	People's Sav. & Loan Assn.
South Charleston.	Citizens' Bank.
Springfield	Springfield Savings Bank.
Steubenville	People's National Bank.
"	Union Deposit Bank.
Struthers	Struthers Sav. & Banking Co.
Toledo	Commercial Savings Bank & Trust Co.
"	Dime Savings Bank Co.
"	Home Savings Bank Co.
"	Market Savings Bank Co.
"	Merchants & Clerks' Sav. Bk.
"	Ohio Sav. Bank & Trust Co.
"	Security Savings Bank Co.
"	Toledo Sav. Bank & Trust Co.
Warren	Savings Bank Co. of Warren.
Waterville	Waterville State Sav. Bk. Co.
Wauseon	First National Bank.
Wellsville	Perpetual Savings & Loan Co.
Woodville	Woodville Savings Bank Co.
Youngstown	Dollar Savings & Trust Co.
"	Home Savings & Loan Co.
Zanesville	American Trust & Sav. Bank.

OKLAHOMA TERRITORY.

Shawnee	Bank of Commerce.

OREGON.

Astoria	Astoria Savings Bank.
Eugene	Eugene Loan & Savings Bank.
Hood River	First National Bank.
La Grande	East'n Oregon Tr. & Sav. Bk.
Pendleton	Pendleton Savings Bank.
Portland	Bankers' & Lumbermen's Bk.
"	Commercial Savings Bank.
Portland	Hibernia Savings Bank.
"	Portland Trust Co. of Oregon.
"	Oregon Trust & Savings Bank.
"	Security Sav. & Tr. Co.
"	Title Guarantee & Trust Co.'s Savings Bank.
Salem	Capital National Bank.

PENNSYLVANIA.

Allegheny	Bank of Secured Savings.
"	Dollar Sav. Fund & Tr. Co.
"	Manchester Sav. Bk. & Tr. Co.
"	Ohio Valley Bank.
"	Real Estate Sav. & Trust Co.
"	Workingman's Saving Bank & Trust Co.
Allentown	Merchants' National Bank.
Ambridge	Ambridge Savings & Trust Co.
Apollo	Apollo Trust Co.
"	First National Bank.
Bellevue	Bellevue Realty Sav. & Tr. Co.
Berwick	Berwick Savings & Trust Co.
Braddock	Braddock National Bank.
Bristol	Fermers' Nat. Bk. of Bucks Co.
Brownsville	Second National Bank.
Butler	Butler Co. National Bank.
"	Butler Savings & Trust Co.
Carbondale	First National Bank.
"	Liberty Discount & Sav. Bank.
"	Miners' & Mechanics' Sav. Bk.
"	Pioneer Dime Bank.
Charleroi	Charleroi Savings & Trust Co.
Dunmore	Fidelity Deposit & Disc'nt Bk.
Duquesne	Hungarian-American Savings & Trust Co.
Emporium	First National Bank.
Fayette City	Fayette City National Bank.
Freedom	Freedom Savings & Trust Co.
Forest City	First National Bank.
Freeport	Freeport Bank.
Glen Rock	First National Bank.
Hanover	Hanover Sav. Fund Society.
Hawley	First National Bank.
Hazelton	People's Savings B'k & Tr. Co.
Homestead	Monongahela Trust Co.
Honesdale	Wayne Co. Savings Bank.
Johnstown	Johnstown Savings Bank.
Kingston	Deposit & Savings Bank.
Lansdowne	Lansdowne & Darby Saving Fund & Trust Co.
Lebanon	First National Bank.
Mahanoy City	Union National Bank.
Mauch Chunk	Mauch Chunk National Bank.
Monessen	Monessen Savings & Trust Co.
Mt. Pleasant	Citizens' Savings & Trust Co.
Nanticoke	First National Bank.
New Castle	Lawrence Savings & Trust Co.
"	New Castle Sav. & Trust Co.
Oil City	Citizens' Banking Co.
Philadelphia	Bank of Commerce.
"	Beneficial Sav. Fund Society.
"	Fairmount Savings Trust Co.
"	Frankford Trust Co.
"	Germantown Trust Co.
"	Integrity Title Insurance, Tr. & Safe Deposit Co.
Philadelphia	Investment Co. of Philadelp'a.
"	Manayunk National Bank.
"	Phila. Saving Fund Society.
"	Safety Banking & Trust Co.
"	Savings Fund Society of Germantown & Its Vicinity.
"	Theo. Starr Savings Bank.
"	Tradesmen's Trust Co.
"	West Phila. Title & Trust Co.
"	Western Sav. Fund Society.
Phillipsburg	First National Bank.
Pittsburgh	Anchor Savings Bank.
"	City Deposit Bank.
"	Diamond Savings Bank.
"	Dollar Savings Bank.
"	East End Savings & Trust Co.
"	Franklin Savings & Trust Co.
"	German Sav. & Deposit Bank.
"	Germania Savings Bank.
"	Iron & Glass Dollar Sav. Bk.
"	Iron City Trust Co.
"	Mt. Washington Sav. & Tr. Co.
"	Oakland Savings & Trust Co.
"	Pennsylvania Savings Bank.
"	People's Savings Bank.
"	Pittsburgh Bank for Savings.
"	St. Clair Savings & Trust Co.
"	Union Savings Bank.
"	West End Sav. Bk. & Tr. Co.
"	Western Sav. & Deposit Bank.
Pittston	Miners' Savings Bank.
"	People's Savings Bank.
"	Union Savings & Trust Co.
Reading	Pennsylvania Trust Co.
Sayre	First National Bank.
Scranton	County Savings Bank.
"	Merchants & Mechanics' Bank.
"	Scranton Savings Bank.
Somerset	Somerset Co. National Bank.
South Bethlehem	F. P. Wilbur Trust Co.
Tarentum	National Bank of Tarentum.
"	Tarentum Savings & Trust Co.
Tidioute	Tidioute Savings Bank.
Vandergrift	Vandergrift Savings & Tr. Co.
Warren	Warren Savings Bank.
Washington	First National Bank.
Waynesboro	People's National Bank.
Webster	First National Bank.
Wellsboro	Tioga Co. Savings & Trust Co.
Westchester	Dime Sav. Bank of Chester Co.
Wilkesbarre	Anthracite Savings Bank.
"	People's Bank.
"	Wilkesbarre Deposit & Sv. Bk.
Williamsport	Savings Institution of the City of Williamsport.
Youngsville	Youngsville Savings Bank.

RHODE ISLAND.

Newport	Aquidneck National Bank.
"	Savings Bank of Newport.
Pawtucket	Pawtucket Instit'n for Sav'g.
"	Providence Co. Savings Bank.
Woonsocket	People's Savings Bank.
"	Producers' Savings Bank.
"	Woonsocket Institut'n for Sav.

SOUTH CAROLINA.

Bishopville.....People's Bank.
Camden.....Commercial Bank.
Charleston.....Commercial Savings Bank.
" Enterprise Bank.
" Germania Savings Bank.
" State Savings Bank.
Gaffney.....Merchants' & Planters' Bank.
Georgetown..... Bank of Georgetown.
Greenville.....Piedmont Sav. & Investm't Co.
Greenwood.....Bank of Greenwood.
" Nat. Loan & Exchange Bank.
Spartanburg.....Merchants & Farmers' Bank.

SOUTH DAKOTA.

Aberdeen.....First State Savings Bank.
Beresford.....Beresford State Bank.
Canton.....First National Bank.
Castlewood.....First National Bank.
De Smet.....De Smet National Bank.
Deadwood.....Black Hills Trust & Sav. Bk.
Huron.....First National Bank.
" Standard Savings Bank.
Marion.....Farmers' Trust & Savings Bk.
Montrose.....Security State Bank.
Ortley.....State Savings Bank.
Rutland.....Farmers' Savings Bank.
Sioux Falls.....Minnehaha National Bank.
" Sioux Falls Savings Bank.
South Shore..... First National Bank.
Tea.....Farmers' Savings Bank.
White Rock.....First National Bank.

TENNESSEE.

Chattanooga.....Chattanooga Savings Bank.
" Hamilton Trust & Sav. Bank.
Clarksville.....First Trust & Savings Bank.
Memphis.....Bank of Commerce & Tr. Co.
" Commercial Tr. & Sav. Bank.
" Continental Savings Bank.
" Crescent Savings & Trust Co.
" Manhattan Sav. Bk. & Tr. Co.
Memphis.....Memphis Savings Bank.
" North Memphis Savings Bank.
" People's Sav. Bank & Tr. Co.
" Solvent Sav. Bank & Tr. Co.
" Union Sav. Bank & Trust Co.
Nashville.....Union Bank & Trust Co.
Tullahoma.....First National Bank.

TEXAS

Galveston..... Ed. M'Carthy & Co.
" Texas Bank & Trust Co.
Houston..... Texas Savings Bank.
Houston.....Union Bank & Trust Co.
San Antonio..... Emmet Bank.

UTAH.

Heber..... Bank of Heber City.
Lehi City.....Lehi Commercial & Sav. Bk.
Logan..... First National Bank.
Ogden..... Utah National Bank.
Park City.....First National Bank.
Salt Lake City...Commercial National Bank.
" Deseret Savings Bank.
" Utah Savings & Trust Co.
" Zion's Savings Bank & Tr. Co.

VERMONT.

Barre.....Barre Sav. Bank & Trust Co.
" Granite Sav. Bank & Trust Co.
" People's National Bank.
Burlington..... Burlington Savings Bank.
Enosburg Falls...Enosburg Falls Savings Bank & Trust Co.
Hardwick..... Hardwick Sav. Bank & Tr. Co.
Ludlow..... Ludlow Sav. Bank & Tr. Co.
Montpelier..... Montpelier Sav. Bk. & Tr. Co.
Morrisville..... Union Sav. Bank & Trust Co.
Newport.....National Bank of Newport.
Northfield.....Northfield Savings Bank.
Proctor..... Proctor Trust Co.
Rutland.....Rutland Savings Bank.
St. Johnsbury.... Passumpsic Savings Bank.
Wells River..... Wells River Savings Bank.
White River Junc. White River Savings Bank.
Wilmington..... Wilmington Savings Bank.
Windsor..... Windsor Savings Bank.
Winooski..... Winooski Savings Bank.

VIRGINIA.

Emporia	Greenville Bank.
Harrisonburg	Rockingham National Bank.
Keller	Bank of Keller.
Lynchburg	American National Bank.
Norfolk	Citizens' Bank of Norfolk.
"	Merch'ts & Mechan's' Sav.Bk.
"	Norfolk Bank for Savings & Trust.
Petersburg	Petersburg Sav. & Insur. Co.
Richmond	American National Bank.
"	Capitol Savings Bank.
Richmond	City Bank.
"	First National Bank.
"	Mechanics' Sav. Bank.
"	Merchants' National Bank.
"	National Bank of Virginia.
"	Planters' National Bank.
"	Provident Savings Bank.
"	St. Luke Penny Savings Bank.
"	Savings Bank of Richmond.
"	Savings Bank of the Grand Fountain, U. O. T. R.

WASHINGTON.

Chehalis	Coffman, Dobson & Co.
Colfax	First Savings & Trust Bank of Whitman County.
Davenport	Lincoln Co. State Bank.
Ellensburg	Washington State Bank.
Everett	American National Bank.
Leavenworth	Tumwater Savings Bank.
Oakesdale	Commercial State Bank.
Palouse	Palouse State Bank.
Seattle	Amer. Sav. Bank & Trust Co.
"	Dexter Horton & Co.
"	Northwest Tr. & Safe Dep. Co.
Seattle	People's Savings Bank.
"	Scandinavian American Bank.
"	State Bank of Seattle.
"	Union Savings & Trust Co.
Spokane	Fidelity National Bank.
"	Old National Bank.
"	Spokane County Savings Bk.
Tacoma	Fidelity Trust Co.
"	Puget Sound Savings Bank.
Walla Walla	Union Savings Bank.
Waterville	Waterville Savings Bank.

WEST VIRGINIA.

Clarksburg	Home Bank for Savings.
Fairmont	Citizens' Dollar Savings Bank.
"	Home Savings Bank.
Huntington	American Bank & Trust Co.
"	Union Sav. Bank & Trust Co.
"	West Virginia National Bank.
Martinsburg	Bank of Martinsburg.
New Cumberland	New Cumberl'd Sav. & Tr. Co.
Parkersburg	Wood County Bank.
Point Pleasant	Merchants' National Bank.
Sistersville	Tyler County Bank.
Wheeling	Centre Wheeling Savings Bk.
"	Dollar Savings & Trust Co.

WISCONSIN.

Appleton	Citizens' National Bank.
"	First National Bank.
Baldwin	Bank of Baldwin.
Beloit	Beloit State Bank.
Bruce	Lumberman's State Bank.
Columbus	Farmers' & Merchants' Union Bank.
Eau Claire	Eau Claire National Bank.
"	Eau Claire Savings Bank.
Fond Du Lac	Cole Savings Bank.
"	Commercial National Bank.
"	First National Bank.
Horicon	Horicon State Bank.
Janesville	Merchants & Mechanics' Savings Bank.
Kenosha	Merchants' & Savings Bank.
La Crosse	Security Savings Bank.
Lake Geneva	First National Bank.
Manitowoc	National Bank of Manitowoc.
Menomonie	First National Bank.
Milwaukee	First National Bank.
"	Milwaukee Savings Bank.
"	Second Ward Savings Bank.
"	Wisconsin National Bank.
Monroe	Commercial & Savings Bank.
Neenah	First National Bank.
Oconto	Citizens' National Bank.
Racine	Commercial & Savings Bank.
Sheboygan Falls	Dairymen's National Bank.
South Milwaukee	South Milwaukee Bank.
Sturgeon Bay	Merchants' Exchange Bank.
Tomahawk	Bradley Bank.
Walworth	Walworth State Bank.
Warrens	Geo. Warren Company Bank.
Waukesha	Waukesha National Bank.
Wausau	National German-American Bk.

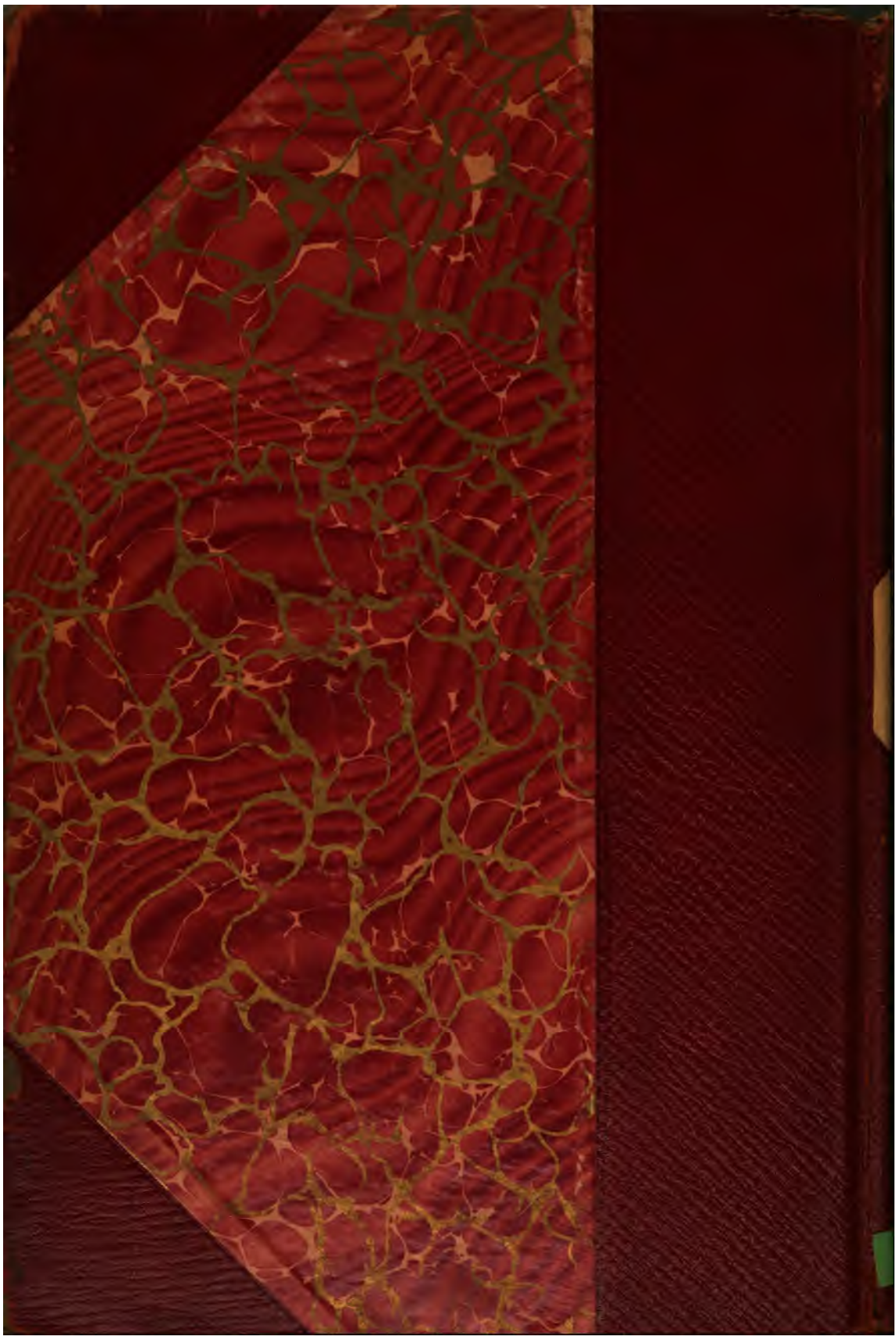
HAWAIIAN ISLANDS.

Hilo.....First Bank of Hilo.
Honolulu.....Bank of Hawaii, Ltd.

Wailuku, Maui...First National Bank.
Honolulu.....First National Bank of Hawaii.

CANADA.

Toronto.....Bank of Toronto.

CUBA.

Havana.....Banco Nacional de Cuba.